

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2026

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 0-25023

**First Capital, Inc.**

(Exact name of registrant as specified in its charter)

**Indiana**

**35-2056949**

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification Number)

**220 Federal Drive NW, Corydon, Indiana 47112**

**1-812-738-2198**

(Address of principal executive offices, zip code, telephone number)

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|------------------------------------------|-------------------|-------------------------------------------|
| Common stock, par value \$0.01 per share | FCAP              | The NASDAQ Stock Market LLC               |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☐

Accelerated filer

☐

Non-accelerated filer

☒

Smaller reporting company

☒

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: 3,344,625 shares of common stock were outstanding as of July 31, 2026.

**FIRST CAPITAL, INC.**

**INDEX**

| <b><u>Part I</u></b>     | <b><u>Financial Information</u></b>                                                                                                              | <b><u>Page</u></b> |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
|                          | <b><u>Item 1. Consolidated Financial Statements</u></b>                                                                                          |                    |
|                          | <a href="#">Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025 (unaudited)</a>                                                | 3                  |
|                          | <a href="#">Consolidated Statements of Income for the three and six months ended June 30, 2026 and 2025 (unaudited)</a>                          | 4                  |
|                          | <a href="#">Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2026 and 2025 (unaudited)</a>            | 5                  |
|                          | <a href="#">Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2026 and 2025 (unaudited)</a> | 6                  |
|                          | <a href="#">Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025 (unaudited)</a>                                | 7                  |
|                          | <a href="#">Notes to Consolidated Financial Statements (unaudited)</a>                                                                           | 8-28               |
|                          | <b><u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u></b>                                      | 29-32              |
|                          | <b><u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u></b>                                                                 | 33-34              |
|                          | <b><u>Item 4. Controls and Procedures</u></b>                                                                                                    | 35                 |
| <b><u>Part II</u></b>    | <b><u>Other Information</u></b>                                                                                                                  | 36                 |
|                          | <b><u>Item 1. Legal Proceedings</u></b>                                                                                                          | 36                 |
|                          | <b><u>Item 1A. Risk Factors</u></b>                                                                                                              | 36                 |
|                          | <b><u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u></b>                                                                | 36                 |
|                          | <b><u>Item 3. Defaults Upon Senior Securities</u></b>                                                                                            | 36                 |
|                          | <b><u>Item 4. Mine Safety Disclosures</u></b>                                                                                                    | 36                 |
|                          | <b><u>Item 5. Other Information</u></b>                                                                                                          | 36                 |
|                          | <b><u>Item 6. Exhibits</u></b>                                                                                                                   | 37                 |
| <b><u>Signatures</u></b> |                                                                                                                                                  |                    |

**PART I – FINANCIAL INFORMATION**  
**FIRST CAPITAL, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited)*

| <i>(In thousands, except share and per share data)</i>                                                              | <b>June 30,<br/>2026</b> | <b>December 31,<br/>2025</b> |
|---------------------------------------------------------------------------------------------------------------------|--------------------------|------------------------------|
| <b>ASSETS</b>                                                                                                       |                          |                              |
| Cash and due from banks                                                                                             | \$ 20,871                | \$ 26,873                    |
| Interest bearing deposits with banks                                                                                | 128,941                  | 110,415                      |
| Total cash and cash equivalents                                                                                     | 149,812                  | 137,288                      |
| Interest-bearing time deposits                                                                                      | 1,225                    | 1,470                        |
| Securities available for sale, at fair value (amortized cost \$424,888 and \$432,167, respectively)                 | 406,917                  | 417,190                      |
| Securities held to maturity, at amortized cost (fair value \$5,542 and \$5,243, respectively)                       | 7,000                    | 7,000                        |
| Loans held for sale                                                                                                 | 1,326                    | 1,464                        |
| Loans, net of allowance for credit losses of \$10,714 (\$10,108 in 2025)                                            | 668,124                  | 654,100                      |
| Federal Home Loan Bank and other stock, at cost                                                                     | 1,836                    | 1,836                        |
| Premises and equipment                                                                                              | 14,980                   | 14,357                       |
| Accrued interest receivable                                                                                         | 5,057                    | 5,100                        |
| Cash value of life insurance                                                                                        | 9,101                    | 8,993                        |
| Goodwill                                                                                                            | 6,472                    | 6,472                        |
| Other assets                                                                                                        | 18,191                   | 16,725                       |
| <b>Total Assets</b>                                                                                                 | <b>\$ 1,290,041</b>      | <b>\$ 1,271,995</b>          |
| <b>LIABILITIES</b>                                                                                                  |                          |                              |
| Deposits:                                                                                                           |                          |                              |
| Noninterest-bearing                                                                                                 | \$ 218,727               | \$ 220,053                   |
| Interest-bearing                                                                                                    | 918,004                  | 902,937                      |
| Total deposits                                                                                                      | 1,136,731                | 1,122,990                    |
| Accrued interest payable                                                                                            | 1,942                    | 2,195                        |
| Accrued expenses and other liabilities                                                                              | 8,753                    | 8,901                        |
| Total liabilities                                                                                                   | 1,147,426                | 1,134,086                    |
| <b>EQUITY</b>                                                                                                       |                          |                              |
| Preferred stock of \$.01 par value per share                                                                        |                          |                              |
| Authorized 1,000,000 shares; none issued                                                                            | —                        | —                            |
| Common stock of \$.01 par value per share                                                                           |                          |                              |
| Authorized 7,500,000 shares; issued 3,814,543 shares (3,810,883 in 2025); outstanding 3,345,245 (3,341,871 in 2025) | 38                       | 38                           |
| Additional paid-in capital                                                                                          | 42,015                   | 41,823                       |
| Retained earnings-substantially restricted                                                                          | 124,653                  | 117,635                      |
| Unearned stock compensation                                                                                         | (335)                    | (178)                        |
| Accumulated other comprehensive loss                                                                                | (13,970)                 | (11,646)                     |
| Less treasury stock, at cost - 469,298 shares (469,012 in 2025)                                                     | (9,891)                  | (9,875)                      |
| Total First Capital, Inc. stockholders' equity                                                                      | 142,510                  | 137,797                      |
| Noncontrolling interest in subsidiary                                                                               | 105                      | 112                          |
| Total equity                                                                                                        | 142,615                  | 137,909                      |
| <b>Total Liabilities and Equity</b>                                                                                 | <b>\$ 1,290,041</b>      | <b>\$ 1,271,995</b>          |

See accompanying notes to consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FIRST CAPITAL, INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**  
*(Unaudited)*

|                                                                        | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                 |
|------------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
|                                                                        | 2026                           | 2025            | 2026                         | 2025            |
| <i>(In thousands, except per share data)</i>                           |                                |                 |                              |                 |
| <b>INTEREST INCOME</b>                                                 |                                |                 |                              |                 |
| Loans, including fees                                                  | \$ 10,813                      | \$ 10,254       | \$ 21,255                    | \$ 20,028       |
| Securities:                                                            |                                |                 |                              |                 |
| Taxable                                                                | 2,866                          | 1,979           | 5,579                        | 3,813           |
| Tax-exempt                                                             | 713                            | 665             | 1,416                        | 1,314           |
| Dividends                                                              | 23                             | 25              | 47                           | 51              |
| Interest bearing deposits with banks                                   | 1,207                          | 1,117           | 2,249                        | 2,180           |
| Total interest income                                                  | 15,622                         | 14,040          | 30,546                       | 27,386          |
| <b>INTEREST EXPENSE</b>                                                |                                |                 |                              |                 |
| Deposits                                                               | 3,535                          | 3,628           | 7,041                        | 7,393           |
| Total interest expense                                                 | 3,535                          | 3,628           | 7,041                        | 7,393           |
| Net interest income                                                    | 12,087                         | 10,412          | 23,505                       | 19,993          |
| Provision for credit losses                                            | 425                            | 306             | 775                          | 644             |
| Net interest income after provision for credit losses                  | 11,662                         | 10,106          | 22,730                       | 19,349          |
| <b>NONINTEREST INCOME</b>                                              |                                |                 |                              |                 |
| Service charges on deposit accounts                                    | 642                            | 588             | 1,234                        | 1,181           |
| ATM and debit card fees                                                | 1,172                          | 1,147           | 2,253                        | 2,183           |
| Loss on sale of securities                                             | —                              | —               | (92)                         | (55)            |
| Unrealized gain (loss) on equity securities                            | 92                             | (41)            | 270                          | (23)            |
| Gain on sale of loans                                                  | 151                            | 152             | 284                          | 241             |
| Increase in cash surrender value of life insurance                     | 51                             | 49              | 108                          | 121             |
| Other income                                                           | 97                             | 123             | 196                          | 218             |
| Total noninterest income                                               | 2,205                          | 2,018           | 4,253                        | 3,866           |
| <b>NONINTEREST EXPENSE</b>                                             |                                |                 |                              |                 |
| Compensation and benefits                                              | 4,505                          | 4,270           | 8,842                        | 8,372           |
| Occupancy and equipment                                                | 576                            | 549             | 1,210                        | 1,172           |
| Data processing                                                        | 1,165                          | 1,156           | 2,261                        | 2,264           |
| Professional fees                                                      | 252                            | 327             | 779                          | 613             |
| Advertising                                                            | 204                            | 120             | 276                          | 194             |
| Other expenses                                                         | 1,151                          | 1,072           | 2,238                        | 2,060           |
| Total noninterest expense                                              | 7,853                          | 7,494           | 15,606                       | 14,675          |
| Income before income taxes                                             | 6,014                          | 4,630           | 11,377                       | 8,540           |
| Income tax expense                                                     | 1,249                          | 852             | 2,279                        | 1,524           |
| <b>Net Income</b>                                                      | 4,765                          | 3,778           | 9,098                        | 7,016           |
| Less: net income attributable to noncontrolling interest in subsidiary | 3                              | 3               | 6                            | 6               |
| <b>Net Income Attributable to First Capital, Inc.</b>                  | <u>\$ 4,762</u>                | <u>\$ 3,775</u> | <u>\$ 9,092</u>              | <u>\$ 7,010</u> |
| Earnings per common share attributable to First Capital, Inc.:         |                                |                 |                              |                 |
| Basic                                                                  | <u>\$ 1.43</u>                 | <u>\$ 1.13</u>  | <u>\$ 2.73</u>               | <u>\$ 2.09</u>  |
| Diluted                                                                | <u>\$ 1.43</u>                 | <u>\$ 1.13</u>  | <u>\$ 2.72</u>               | <u>\$ 2.09</u>  |
| Dividends per share                                                    | <u>\$ 0.31</u>                 | <u>\$ 0.29</u>  | <u>\$ 0.62</u>               | <u>\$ 0.58</u>  |

See accompanying notes to consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FIRST CAPITAL, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
*(Unaudited)*

|                                                                                      | Three Months Ended<br>June 30, |                 | Six Months Ended<br>June 30, |                  |
|--------------------------------------------------------------------------------------|--------------------------------|-----------------|------------------------------|------------------|
|                                                                                      | 2026                           | 2025            | 2026                         | 2025             |
| <i>(In thousands)</i>                                                                |                                |                 |                              |                  |
| <b>Net Income</b>                                                                    | \$ 4,765                       | \$ 3,778        | \$ 9,098                     | \$ 7,016         |
| <b>OTHER COMPREHENSIVE (LOSS) INCOME</b>                                             |                                |                 |                              |                  |
| Unrealized (losses) gains on securities available for sale:                          |                                |                 |                              |                  |
| Unrealized holding (losses) gains arising during the period                          | 933                            | 416             | (3,086)                      | 4,521            |
| Income tax benefit (expense)                                                         | (187)                          | (138)           | 689                          | (1,095)          |
| Net of tax amount                                                                    | 746                            | 278             | (2,397)                      | 3,426            |
| Less: reclassification adjustment for realized losses included in net income         | —                              | —               | 92                           | 55               |
| Income tax expense                                                                   | —                              | —               | (19)                         | (12)             |
| Net of tax amount                                                                    | —                              | —               | 73                           | 43               |
| <b>Other Comprehensive (Loss) Income, net of tax</b>                                 | 746                            | 278             | (2,324)                      | 3,469            |
| <b>Comprehensive Income</b>                                                          | 5,511                          | 4,056           | 6,774                        | 10,485           |
| Less: comprehensive income attributable to the noncontrolling interest in subsidiary | 3                              | 3               | 6                            | 6                |
| <b>Comprehensive Income Attributable to First Capital, Inc.</b>                      | <u>\$ 5,508</u>                | <u>\$ 4,053</u> | <u>\$ 6,768</u>              | <u>\$ 10,479</u> |

See accompanying notes to consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FIRST CAPITAL, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
*(Unaudited)*

| <i>(In thousands)</i>              | <b>Common<br/>Stock</b> | <b>Additional<br/>Paid-in<br/>Capital</b> | <b>Retained<br/>Earnings</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Loss</b> | <b>Unearned<br/>Stock<br/>Compensation</b> | <b>Treasury<br/>Stock</b> | <b>Noncontrolling<br/>Interest</b> | <b>Total</b>      |
|------------------------------------|-------------------------|-------------------------------------------|------------------------------|---------------------------------------------------------|--------------------------------------------|---------------------------|------------------------------------|-------------------|
| Balances at April 1, 2026          | \$ 38                   | \$ 42,015                                 | \$ 120,927                   | \$ (14,716)                                             | \$ (350)                                   | \$ (9,875)                | \$ 115                             | \$ 138,154        |
| Net income                         | —                       | —                                         | 4,762                        | —                                                       | —                                          | —                         | 3                                  | 4,765             |
| Other comprehensive income         | —                       | —                                         | —                            | 746                                                     | —                                          | —                         | —                                  | 746               |
| Cash dividends                     | —                       | —                                         | (1,036)                      | —                                                       | —                                          | —                         | (13)                               | (1,049)           |
| Stock compensation expense         | —                       | —                                         | —                            | —                                                       | 15                                         | —                         | —                                  | 15                |
| Purchase of treasury shares        | —                       | —                                         | —                            | —                                                       | —                                          | (16)                      | —                                  | (16)              |
| Balances at June 30, 2026          | <u>\$ 38</u>            | <u>\$ 42,015</u>                          | <u>\$ 124,653</u>            | <u>\$ (13,970)</u>                                      | <u>\$ (335)</u>                            | <u>\$ (9,891)</u>         | <u>\$ 105</u>                      | <u>\$ 142,615</u> |
| Balances at April 1, 2025          | \$ 38                   | \$ 41,823                                 | \$ 107,551                   | \$ (19,799)                                             | \$ (244)                                   | \$ (9,289)                | \$ 115                             | \$ 120,195        |
| Net income                         | —                       | —                                         | 3,775                        | —                                                       | —                                          | —                         | 3                                  | 3,778             |
| Other comprehensive income         | —                       | —                                         | —                            | 278                                                     | —                                          | —                         | —                                  | 278               |
| Cash dividends                     | —                       | —                                         | (972)                        | —                                                       | —                                          | —                         | (13)                               | (985)             |
| Stock compensation expense         | —                       | —                                         | —                            | —                                                       | 39                                         | —                         | —                                  | 39                |
| Balances at June 30, 2025          | <u>\$ 38</u>            | <u>\$ 41,823</u>                          | <u>\$ 110,354</u>            | <u>\$ (19,521)</u>                                      | <u>\$ (205)</u>                            | <u>\$ (9,289)</u>         | <u>\$ 105</u>                      | <u>\$ 123,305</u> |
| Balances at January 1, 2026        | \$ 38                   | \$ 41,823                                 | \$ 117,635                   | \$ (11,646)                                             | \$ (178)                                   | \$ (9,875)                | \$ 112                             | \$ 137,909        |
| Net income                         | —                       | —                                         | 9,092                        | —                                                       | —                                          | —                         | 6                                  | 9,098             |
| Other comprehensive loss           | —                       | —                                         | —                            | (2,324)                                                 | —                                          | —                         | —                                  | (2,324)           |
| Cash dividends                     | —                       | —                                         | (2,074)                      | —                                                       | —                                          | —                         | (13)                               | (2,087)           |
| Stock compensation expense         | —                       | —                                         | —                            | —                                                       | 35                                         | —                         | —                                  | 35                |
| Purchase of treasury shares        | —                       | —                                         | —                            | —                                                       | —                                          | (16)                      | —                                  | (16)              |
| Restricted stock grants            | —                       | 198                                       | —                            | —                                                       | (198)                                      | —                         | —                                  | —                 |
| Restricted stock grant forfeitures | —                       | (6)                                       | —                            | —                                                       | 6                                          | —                         | —                                  | —                 |
| Balances at June 30, 2026          | <u>\$ 38</u>            | <u>\$ 42,015</u>                          | <u>\$ 124,653</u>            | <u>\$ (13,970)</u>                                      | <u>\$ (335)</u>                            | <u>\$ (9,891)</u>         | <u>\$ 105</u>                      | <u>\$ 142,615</u> |
| Balances at January 1, 2025        | \$ 38                   | \$ 41,676                                 | \$ 105,290                   | \$ (22,990)                                             | \$ (135)                                   | \$ (9,280)                | \$ 112                             | \$ 114,711        |
| Net income                         | —                       | —                                         | 7,010                        | —                                                       | —                                          | —                         | 6                                  | 7,016             |
| Other comprehensive income         | —                       | —                                         | —                            | 3,469                                                   | —                                          | —                         | —                                  | 3,469             |
| Cash dividends                     | —                       | —                                         | (1,946)                      | —                                                       | —                                          | —                         | (13)                               | (1,959)           |
| Stock compensation expense         | —                       | —                                         | —                            | —                                                       | 77                                         | —                         | —                                  | 77                |
| Purchase of treasury shares        | —                       | —                                         | —                            | —                                                       | —                                          | (9)                       | —                                  | (9)               |
| Restricted stock grants            | —                       | 147                                       | —                            | —                                                       | (147)                                      | —                         | —                                  | —                 |
| Balances at June 30, 2025          | <u>\$ 38</u>            | <u>\$ 41,823</u>                          | <u>\$ 110,354</u>            | <u>\$ (19,521)</u>                                      | <u>\$ (205)</u>                            | <u>\$ (9,289)</u>         | <u>\$ 105</u>                      | <u>\$ 123,305</u> |

See accompanying notes to consolidated financial statements.

**PART I – FINANCIAL INFORMATION**  
**FIRST CAPITAL, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(Unaudited)*

|                                                                                                        | Six Months Ended<br>June 30, |                   |
|--------------------------------------------------------------------------------------------------------|------------------------------|-------------------|
|                                                                                                        | 2026                         | 2025              |
| <i>(In thousands)</i>                                                                                  |                              |                   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                            |                              |                   |
| Net income                                                                                             | \$ 9,098                     | \$ 7,016          |
| Adjustments to reconcile net income to net cash and cash equivalents provided by operating activities: |                              |                   |
| Amortization of premiums and accretion of discounts on securities, net                                 | 206                          | 410               |
| Depreciation and amortization expense                                                                  | 569                          | 561               |
| Deferred income taxes                                                                                  | (1,193)                      | 7                 |
| Stock compensation expense                                                                             | 35                           | 77                |
| Increase in cash value of life insurance                                                               | (108)                        | (121)             |
| Gain on life insurance                                                                                 | —                            | (46)              |
| Loss on sale of securities                                                                             | 92                           | 55                |
| Provision for credit losses                                                                            | 775                          | 644               |
| Proceeds from sales of loans                                                                           | 16,351                       | 11,765            |
| Loans originated for sale                                                                              | (15,929)                     | (12,645)          |
| Gain on sale of loans                                                                                  | (284)                        | (241)             |
| Amortization of tax credit investment                                                                  | 748                          | 1,343             |
| Unrealized (gain) loss on equity securities                                                            | (270)                        | 23                |
| (Gain) loss on disposal of premises and equipment                                                      | (39)                         | 58                |
| Decrease (increase) in accrued interest receivable                                                     | 43                           | (67)              |
| (Decrease) increase in accrued interest payable                                                        | (253)                        | 289               |
| Net change in other assets/liabilities                                                                 | 751                          | (1,017)           |
| <b>Net Cash Provided By Operating Activities</b>                                                       | <b>10,592</b>                | <b>8,111</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                            |                              |                   |
| Net decrease in interest-bearing time deposits                                                         | 245                          | 490               |
| Purchase of securities available for sale                                                              | (73,826)                     | (54,519)          |
| Proceeds from maturities of securities available for sale                                              | 33,897                       | 25,705            |
| Proceeds from sales of securities available for sale                                                   | 18,722                       | 11,192            |
| Principal collected on mortgage-backed obligations                                                     | 28,188                       | 15,386            |
| Net increase in loans receivable                                                                       | (14,799)                     | (18,619)          |
| Investment in tax credit entities                                                                      | (845)                        | (1,344)           |
| Investment in technology fund                                                                          | (134)                        | (60)              |
| Proceeds from settlement of bank-owned life insurance policies                                         | —                            | 605               |
| Proceeds from insurance claims                                                                         | 39                           | —                 |
| Purchase of premises and equipment                                                                     | (1,193)                      | (489)             |
| <b>Net Cash Used In Investing Activities</b>                                                           | <b>(9,706)</b>               | <b>(21,653)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                            |                              |                   |
| Net increase in deposits                                                                               | 13,741                       | 44,188            |
| Purchase of treasury stock                                                                             | (16)                         | (9)               |
| Dividends paid                                                                                         | (2,087)                      | (1,959)           |
| <b>Net Cash Provided By Financing Activities</b>                                                       | <b>11,638</b>                | <b>42,220</b>     |
| <b>Net Increase in Cash and Cash Equivalents</b>                                                       | <b>12,524</b>                | <b>28,678</b>     |
| Cash and cash equivalents at beginning of period                                                       | 137,288                      | 105,917           |
| <b>Cash and Cash Equivalents at End of Period</b>                                                      | <b>\$ 149,812</b>            | <b>\$ 134,595</b> |

See accompanying notes to consolidated financial statements.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**1. Presentation of Interim Information**

First Capital, Inc. (“Company”) is the financial holding company of First Harrison Bank (“Bank”), an Indiana chartered commercial bank and wholly owned subsidiary. First Harrison Investments, Inc. and First Harrison Holdings, Inc. are wholly-owned Nevada corporate subsidiaries of the Bank that jointly own First Harrison, LLC, a Nevada limited liability corporation that holds and manages an investment portfolio. First Harrison REIT, Inc. (“REIT”) is a wholly-owned subsidiary of First Harrison Holdings, Inc. that holds a portion of the Bank’s real estate mortgage loan portfolio.

In the opinion of management, the unaudited consolidated financial statements include all adjustments considered necessary to present fairly the financial position as of June 30, 2026, and the results of operations for the three and six months ended June 30, 2026 and 2025 and the cash flows for the six months ended June 30, 2026 and 2025. All of these adjustments are of a normal, recurring nature. Such adjustments are the only adjustments included in the unaudited consolidated financial statements. Interim results are not necessarily indicative of results for a full year or any other period.

The accompanying unaudited consolidated financial statements and notes have been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) for interim financial statements and are presented as permitted by the instructions to Form 10-Q. Accordingly, they do not contain certain information included in the Company’s annual audited consolidated financial statements and related footnotes for the year ended December 31, 2025 included in the Company’s Annual Report on Form 10-K.

The unaudited consolidated financial statements include the accounts of the Company and its subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation. Certain prior period amounts have been reclassified to conform with the current period presentation. The reclassifications had no effect on net income or stockholders’ equity.

**2. Recent Accounting Pronouncements**

The Company has determined that all recently issued accounting pronouncements will not have a material impact on the Company’s consolidated financial statements or do not apply to its operations.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**3. Investment Securities**

Investment securities have been classified in the consolidated balance sheets according to management's intent. Investment securities at June 30, 2026 and December 31, 2025 are summarized as follows:

| <i>(In thousands)</i>               | <u>Amortized<br/>Cost</u> | <u>Gross<br/>Unrealized<br/>Gains</u> | <u>Gross<br/>Unrealized<br/>Losses</u> | <u>Fair<br/>Value</u> |
|-------------------------------------|---------------------------|---------------------------------------|----------------------------------------|-----------------------|
| <b>June 30, 2026</b>                |                           |                                       |                                        |                       |
| Securities available for sale:      |                           |                                       |                                        |                       |
| Agency mortgage-backed securities   | \$ 120,498                | \$ 81                                 | \$ 6,190                               | \$ 114,389            |
| Agency CMO                          | 108,971                   | 172                                   | 890                                    | 108,253               |
| Agency notes and bonds              | 38,198                    | —                                     | 436                                    | 37,762                |
| Treasury notes and bonds            | 2,492                     | —                                     | 27                                     | 2,465                 |
| Municipal obligations               | 154,729                   | 819                                   | 11,500                                 | 144,048               |
| Total securities available for sale | <u>\$ 424,888</u>         | <u>\$ 1,072</u>                       | <u>\$ 19,043</u>                       | <u>\$ 406,917</u>     |
| Securities held to maturity:        |                           |                                       |                                        |                       |
| Other debt securities:              |                           |                                       |                                        |                       |
| Corporate notes                     | \$ 7,000                  | \$ —                                  | \$ 1,458                               | \$ 5,542              |
| Total securities held to maturity   | <u>\$ 7,000</u>           | <u>\$ —</u>                           | <u>\$ 1,458</u>                        | <u>\$ 5,542</u>       |
| <b>December 31, 2025</b>            |                           |                                       |                                        |                       |
| Securities available for sale:      |                           |                                       |                                        |                       |
| Agency mortgage-backed securities   | \$ 96,218                 | \$ 505                                | \$ 4,793                               | \$ 91,930             |
| Agency CMO                          | 100,018                   | 841                                   | 113                                    | 100,746               |
| Agency notes and bonds              | 75,448                    | 30                                    | 1,087                                  | 74,391                |
| Treasury notes and bonds            | 2,485                     | —                                     | 24                                     | 2,461                 |
| Municipal obligations               | 157,998                   | 996                                   | 11,332                                 | 147,662               |
| Total securities available for sale | <u>\$ 432,167</u>         | <u>\$ 2,372</u>                       | <u>\$ 17,349</u>                       | <u>\$ 417,190</u>     |
| Securities held to maturity:        |                           |                                       |                                        |                       |
| Other debt securities:              |                           |                                       |                                        |                       |
| Corporate notes                     | \$ 7,000                  | \$ —                                  | \$ 1,757                               | \$ 5,243              |
| Total securities held to maturity   | <u>\$ 7,000</u>           | <u>\$ —</u>                           | <u>\$ 1,757</u>                        | <u>\$ 5,243</u>       |

Agency notes and bonds, agency mortgage-backed securities and agency collateralized mortgage obligations ("CMO") include securities issued by the Government National Mortgage Association ("GNMA"), a U.S. government agency, and the Federal National Mortgage Association ("FNMA"), the Federal Home Loan Mortgage Corporation ("FHLMC"), the Federal Farm Credit Bank ("FFCB") and the Federal Home Loan Bank ("FHLB"), which are government-sponsored enterprises. Corporate notes classified as held to maturity include subordinated debt obligations issued by other bank holding companies ("BHC").

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(3 – continued)

The amortized cost and fair value of debt securities as of June 30, 2026, by contractual maturity, are shown below. Expected maturities of mortgage-backed securities and CMO may differ from contractual maturities because the mortgages underlying the obligations may be prepaid without penalty.

|                                        | Securities Available for Sale |                   | Securities Held to Maturity |                 |
|----------------------------------------|-------------------------------|-------------------|-----------------------------|-----------------|
|                                        | Amortized Cost                | Fair Value        | Amortized Cost              | Fair Value      |
| <i>(In thousands)</i>                  |                               |                   |                             |                 |
| Due in one year or less                | \$ 30,761                     | \$ 30,554         | \$ —                        | \$ —            |
| Due after one year through five years  | 24,402                        | 23,329            | —                           | —               |
| Due after five years through ten years | 90,053                        | 81,239            | 4,000                       | 3,320           |
| Due after ten years                    | 50,203                        | 49,153            | 3,000                       | 2,222           |
|                                        | 195,419                       | 184,275           | 7,000                       | 5,542           |
| Mortgage-backed securities and CMO     | 229,469                       | 222,642           | —                           | —               |
|                                        | <u>\$ 424,888</u>             | <u>\$ 406,917</u> | <u>\$ 7,000</u>             | <u>\$ 5,542</u> |

Information pertaining to investment securities with gross unrealized losses at June 30, 2026, aggregated by investment category and the length of time that individual investment securities have been in a continuous loss position, follows.

|                                                   | Number of Investment Positions | Fair Value        | Gross Unrealized Losses |
|---------------------------------------------------|--------------------------------|-------------------|-------------------------|
| <i>(Dollars in thousands)</i>                     |                                |                   |                         |
| Securities available for sale:                    |                                |                   |                         |
| Continuous loss position less than twelve months: |                                |                   |                         |
| Agency mortgage-backed securities                 | 30                             | \$ 53,032         | \$ 1,090                |
| Agency CMO                                        | 33                             | 62,241            | 738                     |
| Agency notes and bonds                            | 6                              | 5,545             | 53                      |
| Municipal obligations                             | 33                             | 16,343            | 190                     |
| Total less than twelve months                     | <u>102</u>                     | <u>137,161</u>    | <u>2,071</u>            |
| Continuous loss position more than twelve months: |                                |                   |                         |
| Agency mortgage-backed securities                 | 64                             | 44,932            | 5,100                   |
| Agency CMO                                        | 18                             | 4,757             | 152                     |
| Agency notes and bonds                            | 13                             | 32,217            | 383                     |
| Treasury notes and bonds                          | 2                              | 2,465             | 27                      |
| Municipal obligations                             | 158                            | 86,122            | 11,310                  |
| Total more than twelve months                     | <u>255</u>                     | <u>170,493</u>    | <u>16,972</u>           |
| Total securities available for sale               | <u>357</u>                     | <u>\$ 307,654</u> | <u>\$ 19,043</u>        |
| Securities held to maturity:                      |                                |                   |                         |
| Continuous loss position more than twelve months: |                                |                   |                         |
| Corporate notes                                   | 4                              | \$ 5,542          | \$ 1,458                |
| Total more than twelve months                     | <u>4</u>                       | <u>5,542</u>      | <u>1,458</u>            |
| Total securities held to maturity                 | <u>4</u>                       | <u>\$ 5,542</u>   | <u>\$ 1,458</u>         |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(3 – continued)

Information pertaining to investment securities with gross unrealized losses at December 31, 2025, aggregated by investment category and the length of time that individual investment securities have been in a continuous position, follows.

| <i>(Dollars in thousands)</i>                     | <b>Number of<br/>Investment<br/>Positions</b> | <b>Fair<br/>Value</b> | <b>Gross<br/>Unrealized<br/>Losses</b> |
|---------------------------------------------------|-----------------------------------------------|-----------------------|----------------------------------------|
| Securities available for sale:                    |                                               |                       |                                        |
| Continuous loss position less than twelve months: |                                               |                       |                                        |
| Agency mortgage-backed securities                 | 8                                             | \$ 11,853             | \$ 96                                  |
| Agency CMO                                        | 1                                             | 646                   | 1                                      |
| Agency notes and bonds                            | 1                                             | 747                   | 1                                      |
| Municipal obligations                             | 11                                            | 3,883                 | 9                                      |
| Total less than twelve months                     | 21                                            | 17,129                | 107                                    |
| Continuous loss position more than twelve months: |                                               |                       |                                        |
| Agency mortgage-backed securities                 | 90                                            | 51,637                | 4,697                                  |
| Agency CMO                                        | 19                                            | 6,335                 | 112                                    |
| Agency notes and bonds                            | 26                                            | 70,014                | 1,086                                  |
| Treasury notes and bonds                          | 2                                             | 2,461                 | 24                                     |
| Municipal obligations                             | 174                                           | 97,487                | 11,323                                 |
| Total more than twelve months                     | 311                                           | 227,934               | 17,242                                 |
| Total securities available for sale               | 332                                           | \$ 245,063            | \$ 17,349                              |
| Securities held to maturity:                      |                                               |                       |                                        |
| Continuous loss position less than twelve months: |                                               |                       |                                        |
| Corporate notes                                   | 4                                             | \$ 5,243              | \$ 1,757                               |
| Total less than twelve months                     | 4                                             | 5,243                 | 1,757                                  |
| Total securities held to maturity                 | 4                                             | \$ 5,243              | \$ 1,757                               |

The Company has not identified any specific available for sale securities in a loss position that it intends to sell in the near term and does not believe that it will be required to sell any such securities. The Company reviews its securities on a quarterly basis to assess declines in fair value for credit losses. Consideration is given to such factors as the credit rating of the borrower, market conditions such as current interest rates, any adverse conditions specific to the security, and delinquency status on contractual payments. At June 30, 2026, management concluded that in all instances, securities with fair values less than carrying value were due to fluctuations in interest rates and other factors; thus, no credit loss provision was required.

In addition, management assesses held to maturity securities for credit losses on a quarterly basis. The assessment includes review of performance metrics, identification of delinquency and evaluation of market factors. Based on all analysis, management concludes the decline in fair value of all securities classified as held to maturity was due to changes in interest rates and other market factors.

At June 30, 2026, the municipal obligations and U.S. government agency debt securities, including Treasury notes and bonds, agency notes and bonds, mortgage-backed securities and CMOs classified as available for sale and in a loss position had depreciated approximately 5.8% from the amortized cost basis. All of the U.S. government agency securities and municipal obligations are issued by U.S. government agencies, government-sponsored enterprises and municipal governments, or are secured by first mortgage loans and municipal project revenues. At June 30, 2026, the corporate notes classified as held to maturity in a loss position had depreciated approximately 20.8% from the amortized cost basis. These unrealized losses related principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government, its agencies or other governments, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As the Company has the intent and ability to hold the debt securities until maturity, or the foreseeable future if classified as available for sale, no credit loss is deemed to exist.

As of June 30, 2026 and December 31, 2025, the Company estimated expected credit losses to be immaterial based on the composition of the held to maturity securities portfolio.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(3 – continued)

While management does not anticipate any credit losses at June 30, 2026, additional deterioration in market and economic conditions may have an adverse impact on credit quality in the future.

There were no sales of available for sale securities during the three months ended June 30, 2026 or 2025. During the six months ended June 30, 2026, the Company recognized gross gains of \$169,000 and gross losses of \$261,000 on sales of available for sale securities. During the six months ended June 30, 2025, the Company recognized gross gains of \$31,000 and gross losses of \$86,000 on sales of available for sale securities.

At June 30, 2026 and December 31, 2025, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, with an aggregate book value greater than 10% of stockholders' equity.

The securities balances presented above exclude an agency CMO with a carrying value of \$2.0 million that was purchased prior to June 30, 2026 but remained unsettled at quarter-end. As a result, the security was included in other assets on the consolidated balance sheets at June 30, 2026 and was transferred to the available for sale securities portfolio upon settlement in July 2026.

Accrued interest receivable on available for sale debt securities totaled \$2.6 million at both June 30, 2026 and December 31, 2025 and was reported in accrued interest receivable on the consolidated balance sheets and is excluded from the estimate of credit losses.

Accrued interest receivable on held to maturity debt securities totaled \$18,000 at both June 30, 2026 and December 31, 2025, and was reported in accrued interest receivable on the consolidated balance sheets and is excluded from the estimate of credit losses.

*Equity Securities*

In September 2018, the Company acquired 90,000 shares of common stock in another BHC, representing approximately 5% of the outstanding common stock of the entity, for a total investment of \$1.9 million. During the three months ended June 30, 2026, the Company recognized a gain of \$92,000. During the three months ended June 30, 2025, the Company recognized a loss of \$41,000. During the six months ended June 30, 2026, the Company recognized a gain of \$270,000. During the six months ended June 30, 2025, the Company recognized a loss of \$23,000. At June 30, 2026 and December 31, 2025, the equity investment had a fair value of \$1.3 million and \$1.0 million, respectively, and is included in other assets on the consolidated balance sheets.

In October 2021, the Company entered into an agreement to invest in a bank technology fund through a limited partnership and the Company entered into an agreement to participate in a second, related fund in June 2025. At both June 30, 2026 and December 31, 2025, the Company's investment in the limited partnerships was \$910,000 and is reflected in other assets on the consolidated balance sheets. The unfunded commitment related to the limited partnership investments at June 30, 2026 and December 31, 2025 was \$103,000 and \$237,000, respectively, and is reflected in other liabilities on the consolidated balance sheets. The Company expects to fulfill the commitment as capital calls are made through 2026. The investments are accounted for as equity securities without a readily determinable fair value, and have been recorded at cost, less any impairment, and adjustments resulting from observable price changes. There were no impairments or adjustments on equity securities without readily determinable fair values during the three and six months ended June 30, 2026 or 2025.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**4. Loans and Allowance for Credit Losses**

Loans at June 30, 2026 and December 31, 2025 consisted of the following:

| <i>(In thousands)</i>                         | <b>June 30,<br/>2026</b> | <b>December 31,<br/>2025</b> |
|-----------------------------------------------|--------------------------|------------------------------|
| 1-4 Family Residential Mortgage               | \$ 144,710               | \$ 140,677                   |
| Home Equity and Second Mortgage               | 76,155                   | 71,435                       |
| Multifamily Residential                       | 57,258                   | 69,567                       |
| 1-4 Family Residential Construction           | 15,926                   | 15,445                       |
| Other Construction, Development and Land      | 50,187                   | 41,227                       |
| Commercial Real Estate                        | 212,549                  | 207,124                      |
| Commercial Business                           | 66,149                   | 61,991                       |
| Consumer and Other                            | 54,871                   | 55,676                       |
| Principal loan balance                        | <u>677,805</u>           | <u>663,142</u>               |
| Deferred loan origination fees and costs, net | 1,033                    | 1,066                        |
| Allowance for credit losses                   | <u>(10,714)</u>          | <u>(10,108)</u>              |
| Loans, net                                    | <u>\$ 668,124</u>        | <u>\$ 654,100</u>            |

The Allowance for Credit Losses (“ACL”) on loans is measured on a collective (pooled) basis when similar risk characteristics exist. The Company’s pools/segments are largely determined based on loan types as defined by Call Report instructions.

Loans that do not share risk characteristics are evaluated on an individual basis. In addition, loans evaluated individually are not included in the collective evaluation. When management determines that foreclosure is probable or the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date adjusted for selling costs.

The following table provides the components of the Company’s amortized cost basis in loans at June 30, 2026 and December 31, 2025:

|                                              | <b>1-4 Family<br/>Residential<br/>Mortgage</b> | <b>Home Equity<br/>and Second<br/>Mortgage</b> | <b>Multifamily<br/>Residential</b> | <b>1-4 Family<br/>Residential<br/>Construction</b> | <b>Other<br/>Construction,<br/>Development<br/>and Land<br/><i>(In thousands)</i></b> | <b>Commercial<br/>Real Estate</b> | <b>Commercial<br/>Business</b> | <b>Consumer<br/>and Other</b> | <b>Total</b>      |
|----------------------------------------------|------------------------------------------------|------------------------------------------------|------------------------------------|----------------------------------------------------|---------------------------------------------------------------------------------------|-----------------------------------|--------------------------------|-------------------------------|-------------------|
| <b>June 30, 2026</b>                         |                                                |                                                |                                    |                                                    |                                                                                       |                                   |                                |                               |                   |
| <b><u>Amortized Cost Basis in Loans:</u></b> |                                                |                                                |                                    |                                                    |                                                                                       |                                   |                                |                               |                   |
| Principal loan balance                       | \$ 144,710                                     | \$ 76,155                                      | \$ 57,258                          | \$ 15,926                                          | \$ 50,187                                                                             | \$ 212,549                        | \$ 66,149                      | \$ 54,871                     | \$ 677,805        |
| Net deferred loan origination fees and costs | 67                                             | 1,218                                          | (46)                               | —                                                  | (54)                                                                                  | (146)                             | (6)                            | —                             | 1,033             |
| Amortized cost basis in loans                | <u>\$ 144,777</u>                              | <u>\$ 77,373</u>                               | <u>\$ 57,212</u>                   | <u>\$ 15,926</u>                                   | <u>\$ 50,133</u>                                                                      | <u>\$ 212,403</u>                 | <u>\$ 66,143</u>               | <u>\$ 54,871</u>              | <u>\$ 678,838</u> |
| <b>December 31, 2025</b>                     |                                                |                                                |                                    |                                                    |                                                                                       |                                   |                                |                               |                   |
| <b><u>Amortized Cost Basis in Loans:</u></b> |                                                |                                                |                                    |                                                    |                                                                                       |                                   |                                |                               |                   |
| Principal loan balance                       | \$ 140,677                                     | \$ 71,435                                      | \$ 69,567                          | \$ 15,445                                          | \$ 41,227                                                                             | \$ 207,124                        | \$ 61,991                      | \$ 55,676                     | \$ 663,142        |
| Net deferred loan origination fees and costs | 81                                             | 1,231                                          | (45)                               | —                                                  | (49)                                                                                  | (150)                             | (2)                            | —                             | 1,066             |
| Amortized cost basis in loans                | <u>\$ 140,758</u>                              | <u>\$ 72,666</u>                               | <u>\$ 69,522</u>                   | <u>\$ 15,445</u>                                   | <u>\$ 41,178</u>                                                                      | <u>\$ 206,974</u>                 | <u>\$ 61,989</u>               | <u>\$ 55,676</u>              | <u>\$ 664,208</u> |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

The following table provides an analysis of the changes in the ACL on loans for the three months ended June 30, 2026 and 2025:

|                             | 1-4 Family<br>Residential<br>Mortgage | Home Equity<br>and Second<br>Mortgage | Multifamily<br>Residential | 1-4 Family<br>Residential<br>Construction | Other<br>Construction,<br>Development<br>and Land<br><i>(In thousands)</i> | Commercial<br>Real Estate | Commercial<br>Business | Consumer<br>and Other | Total            |
|-----------------------------|---------------------------------------|---------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------------------------------------|---------------------------|------------------------|-----------------------|------------------|
| <b>June 30, 2026</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| <b>ACL on Loans:</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| Beginning balance           | \$ 1,548                              | \$ 959                                | \$ 818                     | \$ 233                                    | \$ 548                                                                     | \$ 2,552                  | \$ 2,620               | \$ 1,069              | \$ 10,347        |
| Provision for credit losses | 28                                    | 23                                    | (102)                      | 10                                        | 28                                                                         | 655                       | (185)                  | (32)                  | 425              |
| Charge-offs                 | —                                     | —                                     | —                          | —                                         | —                                                                          | —                         | (3)                    | (100)                 | (103)            |
| Recoveries                  | —                                     | —                                     | —                          | —                                         | —                                                                          | —                         | 8                      | 37                    | 45               |
| Ending balance              | <u>\$ 1,576</u>                       | <u>\$ 982</u>                         | <u>\$ 716</u>              | <u>\$ 243</u>                             | <u>\$ 576</u>                                                              | <u>\$ 3,207</u>           | <u>\$ 2,440</u>        | <u>\$ 974</u>         | <u>\$ 10,714</u> |
| <b>June 30, 2025</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| <b>ACL on Loans:</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| Beginning balance           | \$ 1,438                              | \$ 567                                | \$ 431                     | \$ 223                                    | \$ 1,179                                                                   | \$ 2,328                  | \$ 2,337               | \$ 1,032              | \$ 9,535         |
| Provision for credit losses | 69                                    | 201                                   | 32                         | 24                                        | (484)                                                                      | 704                       | (122)                  | (118)                 | 306              |
| Charge-offs                 | —                                     | —                                     | —                          | —                                         | —                                                                          | —                         | (56)                   | (111)                 | (167)            |
| Recoveries                  | 4                                     | —                                     | —                          | —                                         | —                                                                          | —                         | 21                     | 29                    | 54               |
| Ending balance              | <u>\$ 1,511</u>                       | <u>\$ 768</u>                         | <u>\$ 463</u>              | <u>\$ 247</u>                             | <u>\$ 695</u>                                                              | <u>\$ 3,032</u>           | <u>\$ 2,180</u>        | <u>\$ 832</u>         | <u>\$ 9,728</u>  |

The following table provides an analysis of the changes in the ACL on loans for the six months ended June 30, 2026 and 2025:

|                             | 1-4 Family<br>Residential<br>Mortgage | Home Equity<br>and Second<br>Mortgage | Multifamily<br>Residential | 1-4 Family<br>Residential<br>Construction | Other<br>Construction,<br>Development<br>and Land<br><i>(In thousands)</i> | Commercial<br>Real Estate | Commercial<br>Business | Consumer<br>and Other | Total            |
|-----------------------------|---------------------------------------|---------------------------------------|----------------------------|-------------------------------------------|----------------------------------------------------------------------------|---------------------------|------------------------|-----------------------|------------------|
| <b>June 30, 2026</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| <b>ACL on Loans:</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| Beginning balance           | \$ 1,393                              | \$ 937                                | \$ 696                     | \$ 213                                    | \$ 437                                                                     | \$ 3,243                  | \$ 2,252               | \$ 937                | \$ 10,108        |
| Provision for credit losses | 184                                   | 45                                    | 20                         | 30                                        | 139                                                                        | (36)                      | 236                    | 157                   | 775              |
| Charge-offs                 | (1)                                   | —                                     | —                          | —                                         | —                                                                          | —                         | (67)                   | (255)                 | (323)            |
| Recoveries                  | —                                     | —                                     | —                          | —                                         | —                                                                          | —                         | 19                     | 135                   | 154              |
| Ending balance              | <u>\$ 1,576</u>                       | <u>\$ 982</u>                         | <u>\$ 716</u>              | <u>\$ 243</u>                             | <u>\$ 576</u>                                                              | <u>\$ 3,207</u>           | <u>\$ 2,440</u>        | <u>\$ 974</u>         | <u>\$ 10,714</u> |
| <b>June 30, 2025</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| <b>ACL on Loans:</b>        |                                       |                                       |                            |                                           |                                                                            |                           |                        |                       |                  |
| Beginning balance           | \$ 1,592                              | \$ 478                                | \$ 545                     | \$ 184                                    | \$ 588                                                                     | \$ 2,459                  | \$ 2,424               | \$ 1,011              | \$ 9,281         |
| Provision for credit losses | (88)                                  | 290                                   | (82)                       | 63                                        | 107                                                                        | 573                       | (183)                  | (36)                  | 644              |
| Charge-offs                 | —                                     | —                                     | —                          | —                                         | —                                                                          | —                         | (83)                   | (211)                 | (294)            |
| Recoveries                  | 7                                     | —                                     | —                          | —                                         | —                                                                          | —                         | 22                     | 68                    | 97               |
| Ending balance              | <u>\$ 1,511</u>                       | <u>\$ 768</u>                         | <u>\$ 463</u>              | <u>\$ 247</u>                             | <u>\$ 695</u>                                                              | <u>\$ 3,032</u>           | <u>\$ 2,180</u>        | <u>\$ 832</u>         | <u>\$ 9,728</u>  |

Accrued interest on loans totaled \$2.4 million and \$2.5 million at June 30, 2026 and December 31, 2025, respectively, and is included in accrued interest receivable on the consolidated balance sheets and is excluded from the estimate of credit losses.

The Company utilizes the Weighted Average Remaining Maturity (“WARM”) method in determining expected future credit losses. The WARM method uses average annual charge-off rates and the remaining life of the loan to estimate the ACL. For the Company’s loan portfolios, the remaining contractual life for each loan is adjusted by the expected scheduled payments and estimated prepayments. The average annual charge-off rate is applied to the amortization adjusted remaining life of the loan to determine the unadjusted lifetime historical charge-off rate. The Company’s expected loss estimate is anchored in historical credit loss experience, with an emphasis on all available portfolio data. The Company’s historical look-back periods for the loan portfolio range from one to 10 years depending on the WARM of the given portfolio segment and are updated on an annual basis.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

The Company estimates the ACL on loans using relevant available information from internal and external sources relating to past events, current conditions, and reasonable and supportable forecasts. Reasonable and supportable forecasts typically utilize a 12-month period with immediate reversion to historical losses. Historical loss experience provides the basis for the estimation of expected credit losses. Qualitative adjustments to historical loss information are made for losses reflected by peers, changes in underwriting standards, changes in economic conditions, changes in delinquency levels, collateral values and other factors.

Qualitative adjustments reflect management’s overall estimate of the extent to which current expected credit losses on collectively evaluated loans will differ from historical loss experience. The analysis takes into consideration industry and collateral concentrations, acquired loan portfolio characteristics and other credit-related analytics as deemed appropriate.

Management exercises significant judgment in evaluating the relevant historical loss experience and the qualitative factors. Management also monitors the differences between estimated and actual incurred loan losses in order to evaluate the effectiveness of the estimation process and make any changes in the methodology as necessary.

Collateral dependent loans are loans for which the repayment is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. There have been no significant changes to the types of collateral securing the Company’s collateral dependent loans.

The following table presents the amortized cost basis of, and ACL allocation to, individually evaluated collateral-dependent loans by class of loans as of June 30, 2026 and December 31, 2025:

|                                          | <b>Real<br/>Estate</b> | <b>Equipment</b> | <b>Other</b>          | <b>Total</b>    | <b>ACL<br/>Allocation</b> |
|------------------------------------------|------------------------|------------------|-----------------------|-----------------|---------------------------|
| <b>June 30, 2026</b>                     |                        |                  | <i>(In thousands)</i> |                 |                           |
| 1-4 Family Residential Mortgage          | \$ 1,722               | \$ —             | \$ —                  | \$ 1,722        | \$ —                      |
| Home Equity and Second Mortgage          | 453                    | —                | —                     | 453             | —                         |
| Multifamily Residential                  | —                      | —                | —                     | —               | —                         |
| 1-4 Family Residential Construction      | 98                     | —                | —                     | 98              | 61                        |
| Other Construction, Development and Land | 127                    | —                | —                     | 127             | —                         |
| Commercial Real Estate                   | 3,143                  | —                | —                     | 3,143           | 548                       |
| Commercial Business                      | —                      | 1,460            | 137                   | 1,597           | 1,233                     |
| Consumer and Other                       | —                      | —                | 3                     | 3               | —                         |
|                                          | <u>\$ 5,543</u>        | <u>\$ 1,460</u>  | <u>\$ 140</u>         | <u>\$ 7,143</u> | <u>\$ 1,842</u>           |
| <b>December 31, 2025</b>                 |                        |                  |                       |                 |                           |
| 1-4 Family Residential Mortgage          | \$ 1,835               | \$ —             | \$ —                  | \$ 1,835        | \$ —                      |
| Home Equity and Second Mortgage          | 503                    | —                | —                     | 503             | —                         |
| Multifamily Residential                  | —                      | —                | —                     | —               | —                         |
| 1-4 Family Residential Construction      | 97                     | —                | —                     | 97              | 60                        |
| Other Construction, Development and Land | 118                    | —                | —                     | 118             | —                         |
| Commercial Real Estate                   | 2,175                  | —                | —                     | 2,175           | —                         |
| Commercial Business                      | —                      | 1,645            | 467                   | 2,112           | 1,233                     |
| Consumer and Other                       | —                      | —                | 15                    | 15              | —                         |
|                                          | <u>\$ 4,728</u>        | <u>\$ 1,645</u>  | <u>\$ 482</u>         | <u>\$ 6,855</u> | <u>\$ 1,293</u>           |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

Nonperforming loans consists of nonaccrual loans and loans past due and still accruing interest. The following table presents the amortized cost basis of loans on nonaccrual status and loans 90 days or more past due still accruing as of June 30, 2026 and December 31, 2025:

|                                          | Nonaccrual Loans<br>with No ACL | Nonaccrual Loans<br>with An ACL | Total<br>Nonaccrual<br><i>(In thousands)</i> | Loans 90+ Days<br>Past Due<br>Still Accruing | Total<br>Nonperforming<br>Loans |
|------------------------------------------|---------------------------------|---------------------------------|----------------------------------------------|----------------------------------------------|---------------------------------|
| <b>June 30, 2026</b>                     |                                 |                                 |                                              |                                              |                                 |
| 1-4 Family Residential Mortgage          | \$ 1,462                        | \$ —                            | \$ 1,462                                     | \$ —                                         | \$ 1,462                        |
| Home Equity and Second Mortgage          | 280                             | —                               | 280                                          | —                                            | 280                             |
| Multifamily Residential                  | —                               | —                               | —                                            | —                                            | —                               |
| 1-4 Family Residential Construction      | —                               | 98                              | 98                                           | —                                            | 98                              |
| Other Construction, Development and Land | 73                              | —                               | 73                                           | —                                            | 73                              |
| Commercial Real Estate                   | 419                             | 988                             | 1,407                                        | —                                            | 1,407                           |
| Commercial Business                      | 99                              | 1,501                           | 1,600                                        | —                                            | 1,600                           |
| Consumer and Other                       | —                               | —                               | —                                            | —                                            | —                               |
| Total                                    | <u>\$ 2,333</u>                 | <u>\$ 2,587</u>                 | <u>\$ 4,920</u>                              | <u>\$ —</u>                                  | <u>\$ 4,920</u>                 |
| <b>December 31, 2025</b>                 |                                 |                                 |                                              |                                              |                                 |
| 1-4 Family Residential Mortgage          | \$ 1,552                        | \$ —                            | \$ 1,552                                     | \$ —                                         | \$ 1,552                        |
| Home Equity and Second Mortgage          | 329                             | —                               | 329                                          | —                                            | 329                             |
| Multifamily Residential                  | —                               | —                               | —                                            | —                                            | —                               |
| 1-4 Family Residential Construction      | —                               | 97                              | 97                                           | —                                            | 97                              |
| Other Construction, Development and Land | 72                              | —                               | 72                                           | —                                            | 72                              |
| Commercial Real Estate                   | 417                             | —                               | 417                                          | —                                            | 417                             |
| Commercial Business                      | 99                              | 1,687                           | 1,786                                        | 83                                           | 1,869                           |
| Consumer and Other                       | 15                              | —                               | 15                                           | —                                            | 15                              |
| Total                                    | <u>\$ 2,484</u>                 | <u>\$ 1,784</u>                 | <u>\$ 4,268</u>                              | <u>\$ 83</u>                                 | <u>\$ 4,351</u>                 |

No interest income was recognized on nonaccrual loans during the three and six months ended June 30, 2026 and 2025.

The following table presents the aging of the amortized cost basis in loans at June 30, 2026 and December 31, 2025:

|                                          | 30-59 Days<br>Past Due | 60-89 Days<br>Past Due | 90 Days or More<br>Past Due<br><i>(In thousands)</i> | Total<br>Past Due | Current           | Total<br>Loans    |
|------------------------------------------|------------------------|------------------------|------------------------------------------------------|-------------------|-------------------|-------------------|
| <b>June 30, 2026</b>                     |                        |                        |                                                      |                   |                   |                   |
| 1-4 Family Residential Mortgage          | \$ 2,239               | \$ 305                 | \$ 1,074                                             | \$ 3,618          | \$ 141,159        | \$ 144,777        |
| Home Equity and Second Mortgage          | 485                    | —                      | —                                                    | 485               | 76,888            | 77,373            |
| Multifamily Residential                  | —                      | —                      | —                                                    | —                 | 57,212            | 57,212            |
| 1-4 Family Residential Construction      | —                      | —                      | 98                                                   | 98                | 15,828            | 15,926            |
| Other Construction, Development and Land | 81                     | 54                     | 73                                                   | 208               | 49,925            | 50,133            |
| Commercial Real Estate                   | 630                    | 170                    | 419                                                  | 1,219             | 211,184           | 212,403           |
| Commercial Business                      | 56                     | 105                    | 140                                                  | 301               | 65,842            | 66,143            |
| Consumer and Other                       | 315                    | 140                    | —                                                    | 455               | 54,416            | 54,871            |
| Total                                    | <u>\$ 3,806</u>        | <u>\$ 774</u>          | <u>\$ 1,804</u>                                      | <u>\$ 6,384</u>   | <u>\$ 672,454</u> | <u>\$ 678,838</u> |
| <b>December 31, 2025</b>                 |                        |                        |                                                      |                   |                   |                   |
| 1-4 Family Residential Mortgage          | \$ 849                 | \$ 249                 | \$ 1,011                                             | \$ 2,109          | \$ 138,649        | \$ 140,758        |
| Home Equity and Second Mortgage          | 668                    | —                      | 52                                                   | 720               | 71,946            | 72,666            |
| Multifamily Residential                  | —                      | —                      | —                                                    | —                 | 69,522            | 69,522            |
| 1-4 Family Residential Construction      | —                      | —                      | 97                                                   | 97                | 15,348            | 15,445            |
| Other Construction, Development and Land | 80                     | —                      | 72                                                   | 152               | 41,026            | 41,178            |
| Commercial Real Estate                   | 827                    | 707                    | 417                                                  | 1,951             | 205,023           | 206,974           |
| Commercial Business                      | 92                     | 19                     | 223                                                  | 334               | 61,655            | 61,989            |
| Consumer and Other                       | 198                    | 86                     | 15                                                   | 299               | 55,377            | 55,676            |
| Total                                    | <u>\$ 2,714</u>        | <u>\$ 1,061</u>        | <u>\$ 1,887</u>                                      | <u>\$ 5,662</u>   | <u>\$ 658,546</u> | <u>\$ 664,208</u> |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

(4 – continued)

Occasionally, the Company modifies loans to borrowers in financial distress by providing principal forgiveness, a term extension, an other-than-insignificant payment delay or an interest rate reduction. When principal forgiveness is provided, the amount of forgiveness is charged-off against the ACL on loans. In some cases, the Company may provide multiple types of concessions on one loan. Typically, one type of concession, such as a term extension, is granted initially. If the borrower continues to experience financial difficulty, another concession, such as principal forgiveness, may be granted.

During the three and six months ended June 30, 2026 and 2025, there were no modifications to borrowers in financial distress. The Company monitors the performance of modified loans and no modified loans were delinquent at June 30, 2026 or December 31, 2025.

There were no loans to borrowers experiencing financial distress that were modified during the previous 12 months and which subsequently defaulted during the three and six months ended June 30, 2026 and 2025. There were no unfunded commitments associated with loans modified for borrowers experiencing financial distress as of June 30, 2026 and December 31, 2025.

**Credit Quality Indicators**

The Company categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, public information, historical payment experience, credit documentation, and current economic trends, among other factors. The Company classifies loans based on credit risk at least quarterly. The Company uses the following regulatory definitions for risk ratings:

**Special Mention:** Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

**Substandard:** Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

**Doubtful:** Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

**Loss:** Loans classified as loss are considered uncollectible and of such little value that their continuance on the institution's books as an asset is not warranted.

Loans not meeting the criteria above that are analyzed individually as part of the described process are considered to be pass rated loans.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

The following table provides the risk category of loans by class of loans based on the analysis performed at June 30, 2026:

|                                          | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                  |                  |                  |                  |                   |
|------------------------------------------|-----------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|                                          | 2026                                                | 2025             | 2024             | 2023             | 2022             | Prior            | Revolving        | Total             |
|                                          | (In thousands)                                      |                  |                  |                  |                  |                  |                  |                   |
| 1-4 Family Residential Mortgage          |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 16,196                                           | \$ 24,249        | \$ 16,088        | \$ 21,426        | \$ 22,070        | \$ 41,775        | \$ —             | \$ 141,804        |
| Special Mention                          | 364                                                 | —                | —                | —                | —                | 888              | —                | 1,252             |
| Substandard                              | —                                                   | —                | —                | —                | —                | 260              | —                | 260               |
| Doubtful                                 | 13                                                  | —                | 186              | 30               | 28               | 1,204            | —                | 1,461             |
|                                          | <u>\$ 16,573</u>                                    | <u>\$ 24,249</u> | <u>\$ 16,274</u> | <u>\$ 21,456</u> | <u>\$ 22,098</u> | <u>\$ 44,127</u> | <u>\$ —</u>      | <u>\$ 144,777</u> |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ 1             | \$ —             | \$ —             | \$ —             | \$ —             | \$ 1              |
| Home Equity and Second Mortgage          |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 1,111                                            | \$ 2,013         | \$ 1,168         | \$ 2,514         | \$ 2,392         | \$ 377           | \$ 67,239        | \$ 76,814         |
| Special Mention                          | —                                                   | —                | —                | —                | —                | —                | 106              | 106               |
| Substandard                              | —                                                   | —                | —                | —                | —                | —                | 173              | 173               |
| Doubtful                                 | —                                                   | —                | —                | —                | —                | 280              | —                | 280               |
|                                          | <u>\$ 1,111</u>                                     | <u>\$ 2,013</u>  | <u>\$ 1,168</u>  | <u>\$ 2,514</u>  | <u>\$ 2,392</u>  | <u>\$ 657</u>    | <u>\$ 67,518</u> | <u>\$ 77,373</u>  |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —              |
| Multifamily Residential                  |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 2,708                                            | \$ 16,890        | \$ 950           | \$ 7,445         | \$ 13,297        | \$ 14,489        | \$ —             | \$ 55,779         |
| Special Mention                          | —                                                   | —                | —                | 1,433            | —                | —                | —                | 1,433             |
| Substandard                              | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Doubtful                                 | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
|                                          | <u>\$ 2,708</u>                                     | <u>\$ 16,890</u> | <u>\$ 950</u>    | <u>\$ 8,878</u>  | <u>\$ 13,297</u> | <u>\$ 14,489</u> | <u>\$ —</u>      | <u>\$ 57,212</u>  |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —              |
| 1-4 Family Residential Construction      |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 3,913                                            | \$ 10,423        | \$ 1,340         | \$ —             | \$ —             | \$ —             | \$ —             | \$ 15,676         |
| Special Mention                          | 152                                                 | —                | —                | —                | —                | —                | —                | 152               |
| Substandard                              | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Doubtful                                 | —                                                   | —                | —                | —                | —                | 98               | —                | 98                |
|                                          | <u>\$ 4,065</u>                                     | <u>\$ 10,423</u> | <u>\$ 1,340</u>  | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ 98</u>     | <u>\$ —</u>      | <u>\$ 15,926</u>  |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —              |
| Other Construction, Development and Land |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 4,749                                            | \$ 24,125        | \$ 8,311         | \$ 6,822         | \$ 2,637         | \$ 3,362         | \$ —             | \$ 50,006         |
| Special Mention                          | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Substandard                              | —                                                   | —                | —                | —                | —                | 54               | —                | 54                |
| Doubtful                                 | —                                                   | —                | —                | —                | —                | 73               | —                | 73                |
|                                          | <u>\$ 4,749</u>                                     | <u>\$ 24,125</u> | <u>\$ 8,311</u>  | <u>\$ 6,822</u>  | <u>\$ 2,637</u>  | <u>\$ 3,489</u>  | <u>\$ —</u>      | <u>\$ 50,133</u>  |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —              |
| Commercial Real Estate                   |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                     | \$ 12,357                                           | \$ 20,240        | \$ 26,415        | \$ 19,097        | \$ 52,697        | \$ 73,219        | \$ 4,537         | \$ 208,562        |
| Special Mention                          | —                                                   | —                | —                | —                | 161              | 170              | 368              | 699               |
| Substandard                              | —                                                   | —                | 303              | 699              | —                | 733              | —                | 1,735             |
| Doubtful                                 | —                                                   | —                | —                | —                | —                | 1,407            | —                | 1,407             |
|                                          | <u>\$ 12,357</u>                                    | <u>\$ 20,240</u> | <u>\$ 26,718</u> | <u>\$ 19,796</u> | <u>\$ 52,858</u> | <u>\$ 75,529</u> | <u>\$ 4,905</u>  | <u>\$ 212,403</u> |
| Current period gross write-offs          | \$ —                                                | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ —              |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

|                                 | Term Loans Amortized Cost Basis by Origination Year |                   |                  |                  |                   |                   |                  |                   |
|---------------------------------|-----------------------------------------------------|-------------------|------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                                 | 2026                                                | 2025              | 2024             | 2023             | 2022              | Prior             | Revolving        | Total             |
|                                 | <i>(In thousands)</i>                               |                   |                  |                  |                   |                   |                  |                   |
| <b>Commercial Business</b>      |                                                     |                   |                  |                  |                   |                   |                  |                   |
| Pass                            | \$ 9,761                                            | \$ 11,745         | \$ 4,535         | \$ 5,917         | \$ 5,287          | \$ 12,819         | \$ 13,892        | \$ 63,956         |
| Special Mention                 | 295                                                 | 13                | 6                | —                | 18                | —                 | 216              | 548               |
| Substandard                     | —                                                   | —                 | —                | —                | —                 | 17                | 22               | 39                |
| Doubtful                        | —                                                   | —                 | —                | 107              | 1,460             | 33                | —                | 1,600             |
|                                 | <u>\$ 10,056</u>                                    | <u>\$ 11,758</u>  | <u>\$ 4,541</u>  | <u>\$ 6,024</u>  | <u>\$ 6,765</u>   | <u>\$ 12,869</u>  | <u>\$ 14,130</u> | <u>\$ 66,143</u>  |
| Current period gross write-offs | \$ —                                                | \$ —              | \$ 45            | \$ —             | \$ 22             | \$ —              | \$ —             | \$ 67             |
| <b>Consumer and Other</b>       |                                                     |                   |                  |                  |                   |                   |                  |                   |
| Pass                            | \$ 12,951                                           | \$ 14,470         | \$ 8,191         | \$ 7,337         | \$ 2,400          | \$ 6,802          | \$ 2,560         | \$ 54,711         |
| Special Mention                 | —                                                   | —                 | —                | —                | —                 | —                 | —                | —                 |
| Substandard                     | —                                                   | —                 | —                | —                | 3                 | —                 | 157              | 160               |
| Doubtful                        | —                                                   | —                 | —                | —                | —                 | —                 | —                | —                 |
|                                 | <u>\$ 12,951</u>                                    | <u>\$ 14,470</u>  | <u>\$ 8,191</u>  | <u>\$ 7,337</u>  | <u>\$ 2,403</u>   | <u>\$ 6,802</u>   | <u>\$ 2,717</u>  | <u>\$ 54,871</u>  |
| Current period gross write-offs | \$ —                                                | \$ 94             | \$ 50            | \$ 49            | \$ 12             | \$ 6              | \$ 44            | \$ 255            |
| <b>Total Loans</b>              |                                                     |                   |                  |                  |                   |                   |                  |                   |
| Pass                            | \$ 63,746                                           | \$ 124,155        | \$ 66,998        | \$ 70,558        | \$ 100,780        | \$ 152,843        | \$ 88,228        | \$ 667,308        |
| Special Mention                 | 811                                                 | 13                | 6                | 1,433            | 179               | 1,058             | 690              | 4,190             |
| Substandard                     | —                                                   | —                 | 303              | 699              | 3                 | 1,064             | 352              | 2,421             |
| Doubtful                        | 13                                                  | —                 | 186              | 137              | 1,488             | 3,095             | —                | 4,919             |
|                                 | <u>\$ 64,570</u>                                    | <u>\$ 124,168</u> | <u>\$ 67,493</u> | <u>\$ 72,827</u> | <u>\$ 102,450</u> | <u>\$ 158,060</u> | <u>\$ 89,270</u> | <u>\$ 678,838</u> |
| Current period gross write-offs | \$ —                                                | \$ 94             | \$ 96            | \$ 49            | \$ 34             | \$ 6              | \$ 44            | \$ 323            |

The following table provides the risk category of loans by class of loans based on the analysis performed at December 31, 2025:

|                                            | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                  |                  |                  |                  |                   |
|--------------------------------------------|-----------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
|                                            | 2025                                                | 2024             | 2023             | 2022             | 2021             | Prior            | Revolving        | Total             |
|                                            | <i>(In thousands)</i>                               |                  |                  |                  |                  |                  |                  |                   |
| <b>1-4 Family Residential Mortgage</b>     |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                       | \$ 25,785                                           | \$ 18,522        | \$ 24,845        | \$ 22,939        | \$ 19,268        | \$ 26,477        | \$ —             | \$ 137,836        |
| Special Mention                            | —                                                   | —                | 20               | —                | 1,008            | 60               | —                | 1,088             |
| Substandard                                | —                                                   | —                | —                | —                | 97               | 185              | —                | 282               |
| Doubtful                                   | —                                                   | 177              | 31               | 142              | 120              | 1,082            | —                | 1,552             |
|                                            | <u>\$ 25,785</u>                                    | <u>\$ 18,699</u> | <u>\$ 24,896</u> | <u>\$ 23,081</u> | <u>\$ 20,493</u> | <u>\$ 27,804</u> | <u>\$ —</u>      | <u>\$ 140,758</u> |
| <b>Home Equity and Second Mortgage</b>     |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                       | \$ 2,066                                            | \$ 1,428         | \$ 2,835         | \$ 2,649         | \$ 202           | \$ 282           | \$ 62,515        | \$ 71,977         |
| Special Mention                            | 57                                                  | —                | —                | 129              | —                | —                | —                | 186               |
| Substandard                                | —                                                   | —                | —                | —                | —                | —                | 174              | 174               |
| Doubtful                                   | —                                                   | —                | —                | —                | —                | 329              | —                | 329               |
|                                            | <u>\$ 2,123</u>                                     | <u>\$ 1,428</u>  | <u>\$ 2,835</u>  | <u>\$ 2,778</u>  | <u>\$ 202</u>    | <u>\$ 611</u>    | <u>\$ 62,689</u> | <u>\$ 72,666</u>  |
| <b>Multifamily Residential</b>             |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                       | \$ 16,912                                           | \$ 5,981         | \$ 8,955         | \$ 19,754        | \$ 6,759         | \$ 11,161        | \$ —             | \$ 69,522         |
| Special Mention                            | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Substandard                                | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Doubtful                                   | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
|                                            | <u>\$ 16,912</u>                                    | <u>\$ 5,981</u>  | <u>\$ 8,955</u>  | <u>\$ 19,754</u> | <u>\$ 6,759</u>  | <u>\$ 11,161</u> | <u>\$ —</u>      | <u>\$ 69,522</u>  |
| <b>1-4 Family Residential Construction</b> |                                                     |                  |                  |                  |                  |                  |                  |                   |
| Pass                                       | \$ 11,472                                           | \$ 3,876         | \$ —             | \$ —             | \$ —             | \$ —             | \$ —             | \$ 15,348         |
| Special Mention                            | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Substandard                                | —                                                   | —                | —                | —                | —                | —                | —                | —                 |
| Doubtful                                   | —                                                   | —                | —                | —                | 97               | —                | —                | 97                |
|                                            | <u>\$ 11,472</u>                                    | <u>\$ 3,876</u>  | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ 97</u>     | <u>\$ —</u>      | <u>\$ —</u>      | <u>\$ 15,445</u>  |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(4 – continued)

|                                                 | Term Loans Amortized Cost Basis by Origination Year |                  |                  |                   |                  |                   |                  | Total             |
|-------------------------------------------------|-----------------------------------------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
|                                                 | 2025                                                | 2024             | 2023             | 2022              | 2021             | Prior             | Revolving        |                   |
|                                                 | <i>(In thousands)</i>                               |                  |                  |                   |                  |                   |                  |                   |
| <b>Other Construction, Development and Land</b> |                                                     |                  |                  |                   |                  |                   |                  |                   |
| Pass                                            | \$ 21,034                                           | \$ 3,987         | \$ 9,534         | \$ 2,827          | \$ 955           | \$ 2,723          | \$ —             | \$ 41,060         |
| Special Mention                                 | —                                                   | —                | —                | —                 | —                | —                 | —                | —                 |
| Substandard                                     | —                                                   | —                | —                | —                 | —                | 46                | —                | 46                |
| Doubtful                                        | —                                                   | —                | —                | —                 | —                | 72                | —                | 72                |
|                                                 | <u>\$ 21,034</u>                                    | <u>\$ 3,987</u>  | <u>\$ 9,534</u>  | <u>\$ 2,827</u>   | <u>\$ 955</u>    | <u>\$ 2,841</u>   | <u>\$ —</u>      | <u>\$ 41,178</u>  |
| <b>Commercial Real Estate</b>                   |                                                     |                  |                  |                   |                  |                   |                  |                   |
| Pass                                            | \$ 18,784                                           | \$ 26,438        | \$ 19,826        | \$ 55,077         | \$ 24,474        | \$ 54,907         | \$ 4,936         | \$ 204,442        |
| Special Mention                                 | 19                                                  | —                | —                | 165               | —                | 173               | —                | 357               |
| Substandard                                     | —                                                   | 306              | 707              | —                 | 541              | 204               | —                | 1,758             |
| Doubtful                                        | —                                                   | —                | —                | —                 | —                | 417               | —                | 417               |
|                                                 | <u>\$ 18,803</u>                                    | <u>\$ 26,744</u> | <u>\$ 20,533</u> | <u>\$ 55,242</u>  | <u>\$ 25,015</u> | <u>\$ 55,701</u>  | <u>\$ 4,936</u>  | <u>\$ 206,974</u> |
| <b>Commercial Business</b>                      |                                                     |                  |                  |                   |                  |                   |                  |                   |
| Pass                                            | \$ 13,738                                           | \$ 5,223         | \$ 7,136         | \$ 6,426          | \$ 7,138         | \$ 8,141          | \$ 11,738        | \$ 59,540         |
| Special Mention                                 | 54                                                  | 14               | 160              | 23                | 14               | —                 | 30               | 295               |
| Substandard                                     | 197                                                 | —                | —                | —                 | 30               | —                 | 142              | 369               |
| Doubtful                                        | —                                                   | —                | 107              | 1,645             | —                | 33                | —                | 1,785             |
|                                                 | <u>\$ 13,989</u>                                    | <u>\$ 5,237</u>  | <u>\$ 7,403</u>  | <u>\$ 8,094</u>   | <u>\$ 7,182</u>  | <u>\$ 8,174</u>   | <u>\$ 11,910</u> | <u>\$ 61,989</u>  |
| <b>Consumer and Other</b>                       |                                                     |                  |                  |                   |                  |                   |                  |                   |
| Pass                                            | \$ 18,791                                           | \$ 10,946        | \$ 9,962         | \$ 3,844          | \$ 1,129         | \$ 6,809          | \$ 4,103         | \$ 55,584         |
| Special Mention                                 | —                                                   | —                | —                | 3                 | —                | —                 | —                | 3                 |
| Substandard                                     | —                                                   | —                | —                | —                 | —                | —                 | 74               | 74                |
| Doubtful                                        | —                                                   | 15               | —                | —                 | —                | —                 | —                | 15                |
|                                                 | <u>\$ 18,791</u>                                    | <u>\$ 10,961</u> | <u>\$ 9,962</u>  | <u>\$ 3,847</u>   | <u>\$ 1,129</u>  | <u>\$ 6,809</u>   | <u>\$ 4,177</u>  | <u>\$ 55,676</u>  |
| <b>Total Loans</b>                              |                                                     |                  |                  |                   |                  |                   |                  |                   |
| Pass                                            | \$ 128,582                                          | \$ 76,401        | \$ 83,093        | \$ 113,516        | \$ 59,925        | \$ 110,500        | \$ 83,292        | \$ 655,309        |
| Special Mention                                 | 130                                                 | 14               | 180              | 320               | 1,022            | 233               | 30               | 1,929             |
| Substandard                                     | 197                                                 | 306              | 707              | —                 | 668              | 435               | 390              | 2,703             |
| Doubtful                                        | —                                                   | 192              | 138              | 1,787             | 217              | 1,933             | —                | 4,267             |
|                                                 | <u>\$ 128,909</u>                                   | <u>\$ 76,913</u> | <u>\$ 84,118</u> | <u>\$ 115,623</u> | <u>\$ 61,832</u> | <u>\$ 113,101</u> | <u>\$ 83,712</u> | <u>\$ 664,208</u> |

#### ACL on Off-Balance-Sheet Credit Exposures

The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life. The ACL for off-balance-sheet credit exposures was \$131,000 at both June 30, 2026 and December 31, 2025. The ACL for off-balance-sheet credit exposures is presented in accrued expenses and other liabilities on the consolidated balance sheets. Changes in the ACL for off-balance-sheet credit exposures are reflected in the provision for credit losses on the consolidated statements of income. There were no changes to the ACL for off-balance-sheet credit exposures during the three and six months ended June 30, 2026 and 2025.

#### 5. Qualified Affordable Housing Project Investment

On January 19, 2018, the Bank entered into an agreement to invest in qualified affordable housing projects through a limited liability company. At June 30, 2026 and December 31, 2025, the balance of the Bank's investment was \$1.1 million and \$1.2 million, respectively, and is reflected in other assets on the consolidated balance sheets. At June 30, 2026 and December 31, 2025, the unfunded commitment related to the qualified affordable housing project investment was \$72,000 and is reflected in other liabilities on the consolidated balance sheets. The Bank expects to fulfill the commitment as capital calls are made through 2029.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(5 – continued)

On December 16, 2025, the Bank entered into another agreement to invest in qualified affordable housing projects through a limited liability company. At June 30, 2026 and December 31, 2025, the balance of the Bank's investment was \$4.0 million and is reflected in other assets on the consolidated balance sheets. The unfunded commitment related to the qualified affordable housing project investment at June 30, 2026 and December 31, 2025 was \$3.1 million and \$3.3 million, respectively, and is reflected in other liabilities on the consolidated balance sheets. The Bank expects to fulfill the commitment as capital calls are made through 2036.

The investments are accounted for using the proportional amortization method. During the three month periods ended June 30, 2026 and 2025, the Bank recognized amortization expense of \$97,000 and \$85,000, respectively, as a component of income tax expense on the consolidated statements of income. Additionally, during the three month periods ended June 30, 2026 and 2025, the Bank recognized income tax credits and other income tax benefits from its qualified affordable housing project investment of \$117,000 and \$103,000, respectively, which was included in income tax expense on the consolidated statements of income.

During the six month periods ended June 30, 2026 and 2025, the Bank recognized amortization expense of \$195,000 and \$169,000, respectively, as a component of income tax expense on the consolidated statements of income. Additionally, during the six month periods ended June 30, 2026 and 2025, the Bank recognized income tax credits and other income tax benefits from its qualified affordable housing project investment of \$235,000 and \$206,000, respectively, which was included in income tax expense on the consolidated statements of income.

**6. Renewable Energy Tax Credit Investment**

On March 26, 2025, April 17, 2024 and April 21, 2023, the Bank entered into agreements to invest in investment tax credits generated by solar energy producing facilities through limited liability companies. At June 30, 2026 and December 31, 2025, the balance of the Bank's investments in the limited liability companies was \$983,000 and \$1.5 million, respectively, and was reflected in other assets on the consolidated balance sheets. The unfunded commitment related to the solar energy tax credit investments was \$104,000 and \$835,000 at June 30, 2026 and December 31, 2025, respectively, and is reflected in other liabilities on the consolidated balance sheets. The Bank expects to fulfill the commitment as capital calls are made by December 31, 2026.

The investments are accounted for using the proportional amortization method. During the three month periods ended June 30, 2026 and 2025, the Bank recognized amortization expense of \$301,000 and \$875,000, respectively, as a component of income tax expense on the consolidated statements of income. Additionally, during the three month periods ended June 30, 2026 and 2025, the Bank recognized income tax credits and other income tax benefits from its solar energy tax credit investment of \$230,000 and \$863,000, respectively, which was included in income tax expense on the consolidated statements of income.

During the six month periods ended June 30, 2026 and 2025, the Bank recognized amortization expense of \$553,000 and \$1.2 million, respectively, as a component of income tax expense on the consolidation statements of income. Additionally, during the six month periods of June 30, 2026 and 2025, the Bank recognized income tax credits and other income tax benefits from its solar energy tax credit investment of \$462,000 and \$1.2 million, respectively, which was included in income tax expense on the consolidated statements of income.

**7. Borrowed Funds**

At June 30, 2026 and December 31, 2025, the Company had no outstanding borrowings. During the three and six month periods ended June 30, 2026 and 2025, the Company did not utilize any FHLB advances.

The Company has access to the FRB Discount Window for Borrowings ("Discount Window"). At June 30, 2026 and December 31, 2025, the Company had pledged certain U.S. Treasuries and U.S. agency notes and bonds with a carrying value of \$17.4 million and \$17.2 million, respectively, to secure borrowings through the Discount Window, if needed. While the Company has conducted a test of borrowing through the Discount Window, there were no borrowings outstanding through the Discount Window at June 30, 2026 or December 31, 2025.

FHLB advances are secured under a blanket collateral agreement. At June 30, 2026, the carrying value of CMO and mortgage-backed securities, mortgage loans and home equity lines of credit pledged as security for future FHLB advances was \$50.9 million, \$79.9 million, and \$9.7 million, respectively. At December 31, 2025, the carrying value of CMO and mortgage-backed securities, mortgage loans and home equity lines of credit pledged as security for FHLB advances was \$23.0 million, \$77.7 million and \$8.2 million, respectively. At June 30, 2026, the Company had a \$100.1 million borrowing capacity limit with the FHLB based on pledged collateral.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**8. Supplemental Disclosure for Earnings Per Share**

|                                                                          | Three Months Ended<br>June 30, |           | Six Months Ended<br>June 30, |           |
|--------------------------------------------------------------------------|--------------------------------|-----------|------------------------------|-----------|
|                                                                          | 2026                           | 2025      | 2026                         | 2025      |
| <i>(In thousands, except share and per share data)</i>                   |                                |           |                              |           |
| <b>Basic</b>                                                             |                                |           |                              |           |
| Earnings:                                                                |                                |           |                              |           |
| Net income attributable to First Capital, Inc.                           | \$ 4,762                       | \$ 3,775  | \$ 9,092                     | \$ 7,010  |
| Shares:                                                                  |                                |           |                              |           |
| Weighted average common shares outstanding                               | 3,336,190                      | 3,346,653 | 3,336,134                    | 3,346,751 |
| Net income attributable to First Capital, Inc. per common share, basic   | \$ 1.43                        | \$ 1.13   | \$ 2.73                      | \$ 2.09   |
| <b>Diluted</b>                                                           |                                |           |                              |           |
| Earnings:                                                                |                                |           |                              |           |
| Net income attributable to First Capital, Inc.                           | \$ 4,762                       | \$ 3,775  | \$ 9,092                     | \$ 7,010  |
| Shares:                                                                  |                                |           |                              |           |
| Weighted average common shares outstanding                               | 3,336,190                      | 3,346,653 | 3,336,134                    | 3,346,751 |
| Add: Dilutive effect of restricted stock                                 | 3,500                          | 3,691     | 2,990                        | 2,557     |
| Weighted average common shares outstanding, as adjusted                  | 3,339,690                      | 3,350,344 | 3,339,124                    | 3,349,308 |
| Net income attributable to First Capital, Inc. per common share, diluted | \$ 1.43                        | \$ 1.13   | \$ 2.72                      | \$ 2.09   |

Nonvested restricted stock shares are not considered as outstanding for purposes of computing weighted average common shares outstanding. No restricted shares were excluded from the calculation of diluted net income per share for the three and six month periods ending June 30, 2026 and 2025.

**9. Stock-Based Compensation Plan**

On May 20, 2009, the Company adopted the 2009 Equity Incentive Plan (the “2009 Plan”) which terminated as of May 20, 2019. The 2009 Plan provided for the award of stock options, restricted stock, performance shares and stock appreciation rights. The aggregate number of shares of the Company’s common stock available for issuance under the 2009 Plan could not exceed 223,000 shares and 176,150 shares were still available for issuance under the 2009 Plan at its termination.

On May 22, 2019, the Company adopted the 2019 Equity Incentive Plan (the “2019 Plan” and together with the 2009 Plan, the “Plans”). The 2019 Plan provides for the award of stock options, restricted stock, performance shares and stock appreciation rights. The aggregate number of shares of the Company’s common stock available for issuance under the 2019 Plan may not exceed 176,150 shares. If an award under the 2009 Plan is canceled, terminates, expires, is forfeited or lapses for any reason, any issued shares subject to the award shall not be available for issuance pursuant to awards subsequently granted under the 2019 Plan. Further, no additional participants, as that term is defined in the 2009 Plan, are eligible for grants of awards under the 2009 Plan. The Company generally issues new shares under the 2019 Plan from its authorized but unissued shares.

At June 30, 2026, 152,090 shares of the Company’s common stock were available for issuance under the 2019 Plan. The Company may grant both non-statutory and statutory stock options which may not have a term exceeding ten years. In the case of incentive stock options, the aggregate fair value of the stock (determined at the time the incentive stock option is granted) for which any optionee may be granted incentive options which are first exercisable during any calendar year shall not exceed \$100,000. Option prices may not be less than the fair market value of the underlying stock at the date of the grant. An award of a performance share is a grant of a right to receive shares of the Company’s common stock which is contingent upon the achievement of specific performance criteria or other objectives set at the grant date. Stock appreciation rights are equity or cash settled share-based compensation arrangements whereby the number of shares that will ultimately be issued or the cash payment is based upon the appreciation of the Company’s common stock. Awards granted under the 2019 Plan may be granted either alone, in addition to, or in tandem with, any other award granted under the 2019 Plan. The terms of the 2019 Plan also include provisions whereby all unearned options and restricted shares become immediately exercisable and fully vested upon a change in control.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(9 – continued)

As of June 30, 2026, no stock options had been granted under the Plans.

Compensation expense is measured based on the fair market value of the restricted stock at the grant date and is recognized ratably over the period during which the shares are earned (the vesting period). The Company accounts for any forfeitures when they occur, and any previously recognized compensation for an award is reversed in the period the award is forfeited. Compensation expense related to restricted stock recognized for the three and six month periods ended June 30, 2026 amounted to \$15,000 and \$35,000, respectively. Compensation expense related to restricted stock recognized for the three and six month periods ended June 30, 2025 amounted to \$39,000 and \$77,000, respectively. The total income tax benefit related to stock-based compensation was \$3,000 and \$8,000, for the three and six month periods ended June 30, 2026, respectively. The total income tax benefit related to stock-based compensation was \$9,000 and \$18,000, for the three and six month periods ended June 30, 2025, respectively.

A summary of the Company's nonvested restricted shares under the 2019 Plan as of June 30, 2026 and changes during the six month period then ended is presented below.

|                                  | Number<br>of<br>Shares | Weighted<br>Average<br>Grant-Date<br>Fair Value |
|----------------------------------|------------------------|-------------------------------------------------|
| Nonvested at beginning of period | 5,970                  | \$ 34.22                                        |
| Granted                          | 3,900                  | 50.80                                           |
| Vested                           | 150                    | 50.80                                           |
| Forfeited                        | 240                    | 28.00                                           |
| Nonvested at end of period       | <u>9,480</u>           | <u>\$ 40.94</u>                                 |

There were 150 restricted shares that vested during the six month period ending June 30, 2026 due to the retirement of an employee. There were no restricted shares that vested during the six month period ended June 30, 2025. The fair value of restricted shares that vested during the six month period ended June 30, 2026 was \$8,000. At June 30, 2026, there was \$335,000 of unrecognized compensation expense related to nonvested restricted shares. The compensation expense is expected to be recognized over a weighted average period of 4.4 years.

**10. Supplemental Disclosures of Cash Flow Information**

|                                                             | Six Months Ended<br>June 30, |             |
|-------------------------------------------------------------|------------------------------|-------------|
| <i>(In thousands)</i>                                       | <u>2026</u>                  | <u>2025</u> |
| <b>Cash payments for:</b>                                   |                              |             |
| Interest                                                    | \$ 7,294                     | \$ 7,104    |
| Income taxes (net of refunds received)                      | 950                          | 105         |
| <b>Noncash investing activities:</b>                        |                              |             |
| Agreement to invest in renewable energy tax credit facility | \$ —                         | 2,656       |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

**11. Fair Value Measurements**

FASB ASC Topic 820, Fair Value Measurements, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.

Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs that are derived principally from or can be corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. The following table presents the balances of assets measured at fair value on a recurring and nonrecurring basis as of June 30, 2026. The Company had no liabilities measured at fair value as of June 30, 2026.

| (In thousands)                                 | Carrying Value |            |         |            |
|------------------------------------------------|----------------|------------|---------|------------|
|                                                | Level 1        | Level 2    | Level 3 | Total      |
| <b>June 30, 2026</b>                           |                |            |         |            |
| <b>Assets Measured on a Recurring Basis</b>    |                |            |         |            |
| Securities available for sale:                 |                |            |         |            |
| Agency mortgage-backed securities              | \$ —           | \$ 114,389 | \$ —    | \$ 114,389 |
| Agency CMO                                     | —              | 108,253    | —       | 108,253    |
| Agency notes and bonds                         | —              | 37,762     | —       | 37,762     |
| Treasury notes and bonds                       | 2,465          | —          | —       | 2,465      |
| Municipal obligations                          | —              | 144,048    | —       | 144,048    |
| Total securities available for sale            | \$ 2,465       | \$ 404,452 | \$ —    | \$ 406,917 |
| Equity securities                              | \$ 1,305       | \$ —       | \$ —    | 1,305      |
| <b>Assets Measured on a Nonrecurring Basis</b> |                |            |         |            |
| Collateral dependent loans:                    |                |            |         |            |
| Commercial Real Estate                         | \$ —           | \$ —       | \$ 440  | \$ 440     |
| Commercial Business                            | —              | —          | 227     | 227        |
| 1-4 Family Residential Construction            | —              | —          | 37      | 37         |
| Total collateral dependent loans               | \$ —           | \$ —       | \$ 704  | \$ 704     |

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

(11 – continued)

The following table presents the balances of assets measured at fair value on a recurring and nonrecurring basis as of December 31, 2025. The Company had no liabilities measured at fair value as of December 31, 2025.

| (In thousands)                                 | Carrying Value  |                   |               |                   |
|------------------------------------------------|-----------------|-------------------|---------------|-------------------|
|                                                | Level 1         | Level 2           | Level 3       | Total             |
| <b>December 31, 2025</b>                       |                 |                   |               |                   |
| <b>Assets Measured on a Recurring Basis</b>    |                 |                   |               |                   |
| Securities available for sale:                 |                 |                   |               |                   |
| Agency mortgage-backed securities              | \$ —            | \$ 91,930         | \$ —          | \$ 91,930         |
| Agency CMO                                     | —               | 100,746           | —             | 100,746           |
| Agency notes and bonds                         | —               | 74,391            | —             | 74,391            |
| Treasury notes and bonds                       | 2,461           | —                 | —             | 2,461             |
| Municipal obligations                          | —               | 147,662           | —             | 147,662           |
| Total securities available for sale            | <u>\$ 2,461</u> | <u>\$ 414,729</u> | <u>\$ —</u>   | <u>\$ 417,190</u> |
| Equity securities                              | <u>\$ 1,035</u> | <u>\$ —</u>       | <u>\$ —</u>   | <u>\$ 1,035</u>   |
| <b>Assets Measured on a Nonrecurring Basis</b> |                 |                   |               |                   |
| Collateral dependent loans:                    |                 |                   |               |                   |
| Commercial Business                            | \$ —            | \$ —              | \$ 412        | \$ 412            |
| 1-4 Family Residential Construction            | —               | —                 | 37            | 37                |
| Total collateral dependent loans               | <u>\$ —</u>     | <u>\$ —</u>       | <u>\$ 449</u> | <u>\$ 449</u>     |

Fair value is based upon quoted market prices, where available. If quoted market prices are not available, fair value is based on internally developed models or obtained from third parties that primarily use, as inputs, observable market-based parameters or a matrix pricing model that employs the Bond Market Association's standard calculations for cash flow and price/yield analysis and observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include unobservable parameters. Any such valuation adjustments have been applied consistently over time. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

**Securities Available for Sale and Equity Securities:** Securities classified as available for sale and equity securities are reported at fair value on a recurring basis. These securities are classified as Level 1 of the valuation hierarchy where quoted market prices from reputable third-party brokers are available in an active market. If quoted market prices are not available, the Company obtains fair value measurements from an independent pricing service. These securities are reported using Level 2 inputs and the fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, U.S. government and agency yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the security's terms and conditions, among other factors. For securities where quoted market prices, market prices of similar securities or prices from an independent third-party pricing service are not available, fair values are calculated using discounted cash flows or other market indicators and are classified within Level 3 of the fair value hierarchy. Changes in fair value of securities available for sale are recorded in other comprehensive income, net of income tax effect. Changes in fair value of equity securities are recorded in noninterest income on the consolidated statements of income.

**Loans Held for Sale:** Loans held for sale are carried at the lower of cost or market value. The portfolio is comprised of residential real estate loans and fair value is estimated based on specific prices of underlying contracts for sales to investors. These measurements are carried at Level 2 in the fair value hierarchy. At June 30, 2026 and December 31, 2025, the Company did not have any loans held for sale measured at fair value on a nonrecurring basis.

**Collateral Dependent Loans:** Collateral dependent loans are reviewed and evaluated on at least a quarterly basis for additional impairment and adjusted accordingly. In accordance with accounting standards, only collateral dependent loans for which a specific ACL has been established require classification in the fair value hierarchy. The fair value of collateral dependent loans is classified as Level 3 in the fair value hierarchy.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(11 – continued)

Collateral dependent loans with specific allocations of ACL are measured at the fair value of the collateral less estimated costs to sell. Collateral may be real estate and/or business assets, including equipment, inventory and/or accounts receivable. The fair value of the collateral is generally determined based on real estate appraisals or other independent evaluations by qualified professionals, which are then discounted to reflect management's estimate of the fair value of the collateral given the current market conditions and the condition of the collateral.

At June 30, 2026, the significant unobservable inputs used in the fair value measurement of collateral dependent loans included a discount from appraised value for estimates of changes in market conditions, the condition of the collateral and estimated costs to sell the collateral ranging from 10% to 66%, with a weighted average discount of 41.6%. Collateral dependent loans had an amortized cost of \$2.6 million and a carrying value of \$704,000 at June 30, 2026. The Company recognized additional provision for credit losses on collateral dependent loans of \$549,000 for the three and six months ended June 30, 2026. The Company did not recognize any provision for credit losses on collateral dependent loans for the three months ended June 30, 2025. The Company recognized additional provision for credit losses on collateral dependent loans of \$1,000 for the six months ended June 30, 2025.

There have been no changes in the valuation techniques and related inputs used for assets measured at fair value on a recurring and nonrecurring basis during the six month periods ended June 30, 2026 and 2025. There were no transfers into or out of the Company's Level 3 financial assets for the six month periods ended June 30, 2026 and 2025.

GAAP requires disclosure of the fair value of financial assets and financial liabilities, whether or not recognized in the balance sheet. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. In that regard, the derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in immediate settlement of the instruments. Accordingly, the aggregate fair value amounts presented do not represent the underlying value of the Company.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(Unaudited)*

(11 – continued)

The estimated fair values of the Company's financial instruments are as follows:

| <i>(In thousands)</i>                        | <u>Carrying<br/>Value</u> | <u>Fair<br/>Value</u> | <u>Fair Value Measurements Using</u> |                |                |
|----------------------------------------------|---------------------------|-----------------------|--------------------------------------|----------------|----------------|
|                                              |                           |                       | <u>Level 1</u>                       | <u>Level 2</u> | <u>Level 3</u> |
| <b>June 30, 2026:</b>                        |                           |                       |                                      |                |                |
| Financial assets:                            |                           |                       |                                      |                |                |
| Cash and cash equivalents                    | \$ 149,812                | \$ 149,812            | \$ 149,812                           | \$ —           | \$ —           |
| Interest-bearing time deposits               | 1,225                     | 1,224                 | —                                    | 1,224          | —              |
| Securities available for sale                | 406,917                   | 406,917               | 2,465                                | 404,452        | —              |
| Securities held to maturity                  | 7,000                     | 5,542                 | —                                    | 5,542          | —              |
| Loans held for sale                          | 1,326                     | 1,350                 | —                                    | 1,350          | —              |
| Loans, net                                   | 668,124                   | 652,886               | —                                    | —              | 652,886        |
| FHLB and other restricted stock              | 1,836                     | N/A                   | N/A                                  | N/A            | N/A            |
| Accrued interest receivable                  | 5,057                     | 5,057                 | —                                    | 5,057          | —              |
| Equity securities (included in other assets) | 1,305                     | 1,305                 | 1,305                                | —              | —              |
| Financial liabilities:                       |                           |                       |                                      |                |                |
| Deposits                                     | 1,136,731                 | 1,136,500             | 896,981                              | —              | 239,519        |
| Accrued interest payable                     | 1,942                     | 1,942                 | —                                    | 1,942          | —              |
| <b>December 31, 2025:</b>                    |                           |                       |                                      |                |                |
| Financial assets:                            |                           |                       |                                      |                |                |
| Cash and cash equivalents                    | \$ 137,288                | \$ 137,288            | \$ 137,288                           | \$ —           | \$ —           |
| Interest-bearing time deposits               | 1,470                     | 1,480                 | —                                    | 1,480          | —              |
| Securities available for sale                | 417,190                   | 417,190               | 2,461                                | 414,729        | —              |
| Securities held to maturity                  | 7,000                     | 5,243                 | —                                    | 5,243          | —              |
| Loans held for sale                          | 1,464                     | 1,489                 | —                                    | 1,489          | —              |
| Loans, net                                   | 654,100                   | 625,927               | —                                    | —              | 625,927        |
| FHLB and other restricted stock              | 1,836                     | N/A                   | N/A                                  | N/A            | N/A            |
| Accrued interest receivable                  | 5,100                     | 5,100                 | —                                    | 5,100          | —              |
| Equity securities (included in other assets) | 1,035                     | 1,035                 | 1,035                                | —              | —              |
| Financial liabilities:                       |                           |                       |                                      |                |                |
| Deposits                                     | 1,122,990                 | 1,123,123             | 885,622                              | —              | 237,501        |
| Accrued interest payable                     | 2,195                     | 2,195                 | —                                    | 2,195          | —              |

The methods and assumptions used to estimate fair value are described as follows:

Carrying amount is the estimated fair value for cash and cash equivalents, accrued interest receivable and payable, demand deposits and other transactions accounts. The fair value of securities and interest-bearing time deposits in other financial institutions is based on quoted market prices (where available) or values obtained from an independent pricing service. The fair value of loans, excluding loans held for sale, fixed-maturity certificates of deposit and borrowed funds is based on discounted cash flows using current market rates applied to the estimated life and credit risk of the instrument. The fair value of loans held for sale is based on specific prices of underlying contracts for sales to investors. It is not practicable to determine the fair value of FHLB and other restricted stock due to restrictions placed on its transferability. The methods utilized to measure the fair value of financial instruments at June 30, 2026 and December 31, 2025 represent an approximation of exit price, but an actual exit price may differ.

**FIRST CAPITAL, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

**12. Revenue from Contracts with Customers**

Substantially all of the Company's revenue from contracts with customers in the scope of FASB ASC 606 is recognized within noninterest income. The following table presents the Company's sources of noninterest income for the three and six months ended June 30, 2026 and 2025:

|                                          | Three Months Ended<br>June 30, |          | Six Months Ended<br>June 30, |          |
|------------------------------------------|--------------------------------|----------|------------------------------|----------|
|                                          | 2026                           | 2025     | 2026                         | 2025     |
| <i>(In thousands)</i>                    |                                |          |                              |          |
| <b>In Scope for ASC 606</b>              |                                |          |                              |          |
| Service charges on deposit accounts      | \$ 642                         | \$ 588   | \$ 1,234                     | \$ 1,181 |
| ATM and debit card fees                  | 1,172                          | 1,147    | 2,253                        | 2,183    |
| Other                                    | 49                             | 46       | 98                           | 94       |
| Revenue from contracts with customers    | 1,863                          | 1,781    | 3,585                        | 3,458    |
| <b>Out of Scope for ASC 606</b>          |                                |          |                              |          |
| Net gains on loans and investments       | 243                            | 111      | 462                          | 163      |
| Increase in cash value of life insurance | 51                             | 49       | 108                          | 121      |
| Other                                    | 48                             | 77       | 98                           | 124      |
| Other noninterest income                 | 342                            | 237      | 668                          | 408      |
| Total noninterest income                 | \$ 2,205                       | \$ 2,018 | \$ 4,253                     | \$ 3,866 |

A description of the Company's revenue streams accounted for under FASB ASC 606 follows:

**Service Charges on Deposit Accounts:** The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as stop payment charges and statement rendering, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs.

**ATM and Debit Card Fees:** The Company earns ATM usage fees and interchange fees from debit cardholder transactions conducted through a payment network. ATM fees are recognized at the point in time the transaction occurs. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

**Other Income:** Other income from contracts with customers includes safe deposit box fees, investment advisory income and ACH origination fees. This revenue is recognized at the time the transaction is executed or over the period the Company satisfies the performance obligation.

**13. Segment Information**

The Company's reportable segment is determined by the Chief Executive Officer, who is the designated Chief Operating Decision Maker ("CODM"), based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the CODM, who uses such information to review performance of various components of the business, which are then aggregated if operating performance, products/services, and customers are similar. The CODM will evaluate the financial performance of the Company's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The CODM uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessment performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provisions for credit losses, and payroll provide the significant expenses in the banking operation. All operations are domestic. Accounting policies for segments have not changed from those described in Note 1 in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. Segment performance is evaluated using consolidated net income as reported in the consolidated statements of income presented.

**PART I - ITEM 2  
MANAGEMENT'S DISCUSSION AND  
ANALYSIS OF FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS  
FIRST CAPITAL, INC.**

**Safe Harbor Statement for Forward-Looking Statements**

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not historical facts nor guarantees of future performance; rather they are statements based on the Company's current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements can be identified by use of the words "expects," "believes," "anticipates," "intends," "could," "should" and similar expressions. Forward-looking statements also include, but are not limited to, statements regarding estimated cost savings, plans and objectives for future operations, and the Company's business and growth strategies.

Numerous risks and uncertainties could cause or contribute to the Company's actual results, performance and achievements being materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; the ability of the Company to execute its business plan; legislative and regulatory changes; the quality and composition of the loan and investment securities portfolio; loan demand; deposit flows; competition; and changes in accounting principles and guidelines. Additional factors that may affect our results are discussed in Part II of this Form 10-Q and in our Annual Report on Form 10-K for the year ended December 31, 2025 under "Item 1A. Risk Factors." These factors should be considered in evaluating the forward-looking statements and undue reliance should not be placed on such statements. These forward-looking statements are made only as of the date of this Quarterly Report on Form 10-Q and, except as required by applicable law or regulation, the Company assumes no obligation and disclaims any obligation to update any forward-looking statements.

**Critical Accounting Policies**

The discussion and analysis of the Company's financial condition and results of operations are based upon the Company's consolidated financial statements that have been prepared in accordance with GAAP. The preparation of the Company's financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, income and expenses. These estimates are based upon historical experience and on various other assumptions that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The estimates and judgments that management believes involve the most complex and subjective estimates and judgments and have the most effect on the Company's reported financial position and results of operations are described as critical accounting policies in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. During the six months ended June 30, 2026, there was no significant change in the Company's critical account policies or the application of critical accounting policies as disclosed in the Company's Annual report on Form 10-K for the year ended December 31, 2025.

**Comparison of Financial Condition at June 30, 2026 and December 31, 2025**

Total assets increased \$18.0 million from \$1.27 billion at December 31, 2025 to \$1.29 billion at June 30, 2026.

Net loans receivable (excluding loans held for sale) increased \$14.0 million from \$654.1 million at December 31, 2025 to \$668.1 million at June 30, 2026. Other construction, development and land, commercial real estate, home equity and second mortgage, commercial business, and 1-4 family residential mortgage loan increases of \$9.0 million, \$5.4 million, \$4.7 million, \$4.2 million, and \$4.0 million, respectively, were partially offset by a decrease of \$12.3 million in multifamily residential loans during the six months ended June 30, 2026.

Cash and cash equivalents increased from \$137.3 million at December 31, 2025 to \$149.8 million at June 30, 2026 primarily due to net deposit inflows and sales of available for sale securities at the Bank which were partially offset by loan originations.

Securities available for sale decreased \$10.3 million from \$417.2 million at December 31, 2025 to \$406.9 million at June 30, 2026. Purchases of \$73.8 million of securities classified as available for sale were made during the six months ended June 30, 2026 and consisted primarily of U.S. government agency CMOs and mortgage-backed securities and municipal bonds. Principal payments and maturities of available for sale securities totaled \$28.2 million and \$33.9 million, respectively, during the six months ended June 30, 2026. Securities classified as available for sale totaling \$18.7 million were sold during the six months ended June 30, 2026 and consisted primarily of municipal and U.S. government agency notes and bonds. In addition, there was an unrealized loss of \$3.0 million on the securities available for sale portfolio during the six month period ended June 30, 2026 due primarily to increasing market interest rates.

**PART I - ITEM 2**  
**MANAGEMENT'S DISCUSSION AND**  
**ANALYSIS OF FINANCIAL CONDITION AND**  
**RESULTS OF OPERATIONS**  
**FIRST CAPITAL, INC.**

Total deposits increased \$13.7 million from \$1.12 billion at December 31, 2025 to \$1.14 billion at June 30, 2026. Interest-bearing accounts, savings accounts, and time deposit increases of \$9.0 million, \$3.9 million, and \$2.2 million, respectively, were partially offset by a decrease of \$1.3 million in non-interest bearing checking accounts during the six months ended June 30, 2026. Deposit inflows and outflows are influenced by prevailing market interest rates, competition, local and national economic conditions, and fluctuations in our customers' own liquidity needs and may also be influenced by recent developments in the financial services industry.

The Company had no outstanding borrowings at June 30, 2026 or December 31, 2025.

Total stockholders' equity attributable to the Company increased from \$137.8 million at December 31, 2025 to \$142.5 million at June 30, 2026, primarily due to a \$7.0 million increase in retained net income partially offset by a \$2.3 million net unrealized loss on available for sale securities. The net unrealized loss on available for sale securities during the period is primarily due to increased market interest rates.

**Results of Operations for the Three Month Periods Ended June 30, 2026 and 2025**

**Net income.** Net income attributable to the Company was \$4.8 million (\$1.43 per diluted share) for the three months ended June 30, 2026 compared to \$3.8 million (\$1.13 per diluted share) for the three months ended June 30, 2025.

**Net interest income.** Net interest income after provision for credit losses increased \$1.6 million for the three months ended June 30, 2026 as compared to the same period in 2025.

Total interest income increased \$1.6 million when comparing the two periods primarily due to an increase in the average tax-equivalent yield on interest-earning assets from 4.82% for the second quarter of 2025 to 5.12% for the same period in 2026, in addition to an increase in the average balance of interest-earning assets from \$1.18 billion for the second quarter of 2025 to \$1.24 billion for the same period in 2026.

Total interest expense decreased \$93,000 when comparing the two periods. The average cost of interest-bearing liabilities decreased from 1.64% for the quarter ended June 30, 2025 to 1.56% for the same period in 2026, while the average balance of interest-bearing liabilities increased from \$883.8 million for the quarter ended June 30, 2025 to \$907.3 million for the same period in 2026.

As a result of the changes in interest-earning assets and interest-bearing liabilities, the tax-equivalent net interest margin increased from 3.59% for the quarter ended June 30, 2025 to 3.98% for the same period in 2026.

**Provision for credit losses.** Based on management's analysis of the ACL on loans and unfunded loan commitments, the provision for credit losses increased from \$306,000 for the quarter ended June 30, 2025 to \$425,000 for the quarter ended June 30, 2026. The Bank recognized net charge-offs of \$58,000 and \$113,000 for the quarters ended June 30, 2026 and 2025, respectively.

**Noninterest income.** Noninterest income increased \$187,000 for the quarter ended June 30, 2026 as compared to the quarter ended June 30, 2025. The increase is primarily due to the Company recognizing a \$92,000 gain on equity securities during the quarter ended June 30, 2026 compared to a loss of \$41,000 during the same period in 2025. In addition, the Company recognized an increase of \$54,000 in service charges on deposit accounts when comparing the two periods.

**Noninterest expense.** Noninterest expenses increased \$359,000 for the quarter ended June 30, 2026 as compared to the same period in 2025. This was primarily due to increases in compensation and benefits, advertising, and other expenses of \$235,000, \$84,000 and \$79,000, respectively, when comparing the two periods. The increase in compensation and benefits is due to increases in salary and wages associated with annual cost of living and performance related adjustments as well as increases in the cost of Company-provided health insurance benefits. The increase in advertising expenses is related to various new marketing campaigns undertaken during the quarter ended June 30, 2026. The increase in other expenses was primarily due to general inflationary pressures and routine pricing increases rather than any specific item. These increases were partially offset by a \$75,000 decrease in professional services when comparing the two periods due to fewer consulting fees during the quarter ended June 30, 2026.

**Income tax expense.** Income tax expense increased \$397,000 for the quarter ended June 30, 2026 as compared to the same period in 2025 resulting in an effective tax rate of 20.8% for the quarter ended June 30, 2026, compared to 18.4% for the same period in 2025. The increase in the Bank's effective tax rate for the quarter ended June 30, 2026 reflects a higher proportion of net income being subject to taxation compared to the same period last year.

**PART I - ITEM 2  
MANAGEMENT'S DISCUSSION AND  
ANALYSIS OF FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS  
FIRST CAPITAL, INC.**

**Results of Operations for the Six Month Periods Ended June 30, 2026 and 2025**

**Net income.** Net income attributable to the Company was \$9.1 million (\$2.72 per diluted share) for the six months ended June 30, 2026 compared to \$7.0 million (\$2.09 per diluted share) for the six months ended June 30, 2025.

**Net interest income.** Net interest income after provision for credit losses increased \$3.4 million for the six months ended June 30, 2026 as compared to the same period in 2025.

Total interest income increased \$3.2 million when comparing the two periods primarily due to an increase in the average tax-equivalent yield on interest-earning assets from 4.73% for the six months ended June 30, 2025 to 5.04% for the same period in 2026, in addition to an increase in the average balance of interest-earning assets from \$1.18 billion for the six months ended June 30, 2025 to \$1.23 billion for the same period in 2026.

Total interest expense decreased \$352,000 when comparing the two periods. The average cost of interest-bearing liabilities decreased from 1.67% for the six months ended June 30, 2025 to 1.56% for the same period in 2026, while the average balance of interest-bearing liabilities increased from \$883.2 million for the six months ended June 30, 2025 to \$904.4 million for the same period in 2026.

As a result of the changes in interest-earning assets and interest-bearing liabilities, the tax-equivalent net interest margin increased from 3.47% for the six months ended June 30, 2025 to 3.90% for the same period in 2026.

**Provision for credit losses.** Based on management's analysis of the ACL on loans and unfunded loan commitments, the provision for credit losses increased from \$644,000 for the six months ended June 30, 2025 to \$775,000 for the six months ended June 30, 2026. The Bank recognized net charge-offs of \$169,000 and \$197,000 for the six months ended June 30, 2026 and 2025, respectively.

**Noninterest income.** Noninterest income increased \$387,000 for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025. The increase is primarily due to the Company recognizing a \$270,000 gain on equity securities during the six months ended June 30, 2026 compared to a loss of \$23,000 during the same period in 2025. In addition, the Company recognized increases of \$70,000 and \$53,000 in ATM and debit card fee income and service charges on deposit accounts, respectively, when comparing the two periods. These increases were partially offset by the Company recognizing a \$92,000 loss on sale of available for sale securities for the six months ended June 30, 2026 compared to a loss of \$55,000 for the same period in 2025. The loss on sale of available for sale securities during the six months ended June 30, 2026 was a result of management's decision to sell \$18.7 million of available for sale securities to better position the Company's investment portfolio for increased future yields.

**Noninterest expense.** Noninterest expenses increased \$931,000 for the six months ended June 30, 2026 as compared to the same period in 2025. This was primarily due to increases in compensation and benefits, other expenses, professional services, and advertising expenses of \$470,000, \$178,000, \$166,000 and \$82,000, respectively, when comparing the two periods. The increase in compensation and benefits is due to increases in salary and wages associated with annual cost of living and performance related adjustments as well as increases in the cost of Company-provided health insurance benefits. The increase in other expenses is primarily due to an increase in consumer fraud losses and increased support of the Company's local communities through sponsorships and donations during the six months ended June 30, 2026 as compared to the same period in 2025. The increase in professional services is due to increased consulting fees. The increase in advertising expenses is related to various new marketing campaigns undertaken during the six months ended June 30, 2026 as compared to the same period in 2025.

**Income tax expense.** Income tax expense increased \$755,000 for the six months ended June 30, 2026 as compared to the same period in 2025 resulting in an effective tax rate of 20.0% for the six months ended June 30, 2026, compared to 17.9% for the same period in 2025. The increase in the Bank's effective tax rate for the six months ended June 30, 2026 reflects a higher proportion of net income being subject to taxation compared to the same period last year.

**Liquidity and Capital Resources**

The Bank's primary sources of funds are customer deposits, proceeds from loan repayments, maturing securities and borrowings from the FHLB or FRB. While loan repayments and maturities are a predictable source of funds, deposit flows and mortgage prepayments are greatly influenced by market interest rates, general economic conditions and competition. At June 30, 2026, the Bank had cash and cash equivalents of \$149.8 million and securities available-for-sale with a fair value of \$406.9 million. If the Bank requires funds beyond its ability to generate them internally, it has additional borrowing capacity with the FHLB, FRB, collateral eligible for repurchase agreements and unsecured federal funds purchased lines of credit with other financial institutions.

**PART I - ITEM 2  
MANAGEMENT'S DISCUSSION AND  
ANALYSIS OF FINANCIAL CONDITION AND  
RESULTS OF OPERATIONS  
FIRST CAPITAL, INC.**

The Bank's primary investing activity is the origination of one-to-four family mortgage loans and commercial real estate loans and, to a lesser extent, consumer, multi-family, commercial business and residential construction loans. The Bank also invests in U.S. government and agency securities and mortgage-backed securities issued by U.S. government agencies.

The Bank must maintain an adequate level of liquidity to ensure the availability of sufficient funds to support loan growth and deposit withdrawals, to satisfy financial commitments and to take advantage of investment opportunities. Historically, the Bank has been able to retain a significant amount of its deposits as they mature.

The Company is a separate legal entity from the Bank and must provide for its own liquidity. In addition to its operating expenses, the Company, on a stand-alone basis, is responsible for paying any dividends declared to its shareholders. The Board of Directors of the Company also has authorized the repurchase of shares of its common stock. The Company's primary source of income is dividends received from the Bank. The amount of dividends that the Bank may declare and pay to the Company in any calendar year, without the receipt of prior approval from the Indiana Department of Financial Institutions ("IDFI"), cannot exceed net income for that year to date plus retained net income (as defined under Indiana law) for the preceding two calendar years. On a stand-alone basis, the Company had liquid assets of \$2.4 million at June 30, 2026.

The Bank is required to maintain specific amounts of capital pursuant to regulatory requirements. Beginning in 2020, qualifying community banks with assets of less than \$10 billion are eligible to opt in to the Community Bank Leverage Ratio ("CBLR") framework. The CBLR is the ratio of a bank's tangible equity capital to average total consolidated assets. A qualifying community bank that exceeds this ratio will be deemed to be in compliance with all other capital and leverage requirements, including the capital requirements to be considered "well capitalized" under Prompt Corrective Action statutes. The federal banking agencies may consider a financial institution's risk profile when evaluating whether it qualifies as a community bank for purposes of the capital ratio requirement. The federal banking agencies must set the minimum capital for the new CBLR at not less than 8% and not more than 10%, and has set the minimum ratio at 9% effective January 1, 2022. A financial institution that falls below the minimum CBLR generally has a two quarter grace period to get back into compliance as long as it maintains a minimum CBLR of 8%. A financial institution can elect to be subject to or opt out of the CBLR framework at any time. As a qualified community bank, the Bank had opted into the CBLR framework as of June 30, 2026 and December 31, 2025 and its CBLR was 11.33% and 11.01% as of those dates, respectively. Management believes that the Bank met all capital adequacy requirements to which it was subject as of June 30, 2026. At both June 30, 2026 and December 31, 2025, the Bank was considered "well-capitalized" under applicable regulatory guidelines.

On April 23, 2026, the federal banking agencies finalized a rule, effective July 1, 2026, that lowers the minimum CBLR from 9% to 8% and extends the grace period for a qualifying community bank that falls below the minimum from two quarters to four quarters, provided the institution maintains a CBLR greater than 7%. While no assurance can be given, it is the Company's intent to continue to utilize the CBLR framework so long as the Bank continues to meet the qualifying criteria.

#### **Off-Balance Sheet Arrangements**

In the normal course of operations, the Company engages in a variety of financial transactions that, in accordance with GAAP, are not recorded on the Company's financial statements. These transactions involve, to varying degrees, elements of credit, interest rate and liquidity risk. Such transactions are primarily used to manage customers' requests for funding and take the form of loan commitments and letters of credit. A further presentation of the Company's off-balance sheet arrangements is presented in the Company's Annual Report on Form 10-K for the year ended December 31, 2025. See Note 4 of this quarterly report for additional information regarding the ACL for these off-balance sheet arrangements.

For the six months ended June 30, 2026, the Company did not engage in any off-balance sheet transactions reasonably likely to have a material effect on the Company's financial condition, results of operations or cash flows.

**PART I - ITEM 3**  
**QUANTITATIVE AND QUALITATIVE DISCLOSURES**  
**ABOUT MARKET RISK**  
**FIRST CAPITAL, INC.**

**Qualitative Aspects of Market Risk.** Market risk is the risk that the estimated fair value of the Company's assets and liabilities will decline as a result of changes in interest rates or financial market volatility, or that the Company's net income will be significantly reduced by interest rate changes.

The Company's principal financial objective is to achieve long-term profitability while reducing its exposure to fluctuating market interest rates. The Company has sought to reduce the exposure of its earnings to changes in market interest rates by attempting to manage the mismatch between asset and liability maturities and interest rates. In order to reduce the exposure to interest rate fluctuations, the Company has developed strategies to manage its liquidity, shorten its effective maturities of certain interest-earning assets and decrease the interest rate sensitivity of its asset base. Management has sought to decrease the average maturity of its assets by emphasizing the origination of short-term commercial and consumer loans, all of which are retained by the Company for its portfolio. The Company relies on retail deposits as its primary source of funds. Management believes retail deposits, compared to brokered deposits, reduce the effects of interest rate fluctuations because they generally represent a more stable source of funds.

**Quantitative Aspects of Market Risk.** The Company does not maintain a trading account for any class of financial instrument nor does the Company engage in hedging activities or purchase high-risk derivative instruments. Furthermore, the Company is not subject to foreign currency exchange rate risk or commodity price risk.

Potential cash flows, sales, or replacement value of many of our assets and liabilities, especially those that earn or pay interest, are sensitive to changes in the general level of interest rates. This interest rate risk arises primarily from our normal business activities of gathering deposits, extending loans and investing in investment securities. Many factors affect the Company's exposure to changes in interest rates, such as general economic and financial conditions, customer preferences, historical pricing relationships, and re-pricing characteristics of financial instruments. The Company's earnings can also be affected by the monetary and fiscal policies of the U.S. Government and its agencies, particularly the Board of Governors of the Federal Reserve System.

An element in the Company's ongoing process is to measure and monitor interest rate risk using a Net Interest Income at Risk simulation to model the interest rate sensitivity of the balance sheet and to quantify the impact of changing interest rates on the Company. The model quantifies the effects of various possible interest rate scenarios on projected net interest income over a one-year horizon. The model assumes a semi-static balance sheet and measures the impact on net interest income relative to a base case scenario of hypothetical changes in interest rates over twelve months and provides no effect given to any steps that management might take to counter the effect of the interest rate movements. The scenarios include prepayment assumptions, changes in the level of interest rates, the shape of the yield curve, and spreads between market interest rates in order to capture the impact from re-pricing, yield curve, option, and basis risks.

Results of the Company's simulation modeling, which assumes an immediate and sustained parallel shift in market interest rates, project that the Company's net interest income could change as follows over a one-year horizon, relative to our base case scenario, based on June 30, 2026 and December 31, 2025 financial information:

| Immediate Change<br>in the Level<br>of Interest Rates | At June 30, 2026              |                   | At December 31, 2025 |                   |
|-------------------------------------------------------|-------------------------------|-------------------|----------------------|-------------------|
|                                                       | One Year Horizon              |                   | One Year Horizon     |                   |
|                                                       | Dollar<br>Change              | Percent<br>Change | Dollar<br>Change     | Percent<br>Change |
|                                                       | <i>(Dollars in thousands)</i> |                   |                      |                   |
| 300bp                                                 | \$ 9,714                      | 19.73 %           | \$ 7,555             | 16.40 %           |
| 200bp                                                 | 6,584                         | 13.38             | 5,114                | 11.10             |
| 100bp                                                 | 3,357                         | 6.82              | 2,563                | 5.56              |
| Static                                                | —                             | —                 | —                    | —                 |
| (100)bp                                               | (3,455)                       | (7.02)            | (2,624)              | (5.70)            |
| (200)bp                                               | (7,283)                       | (14.80)           | (5,295)              | (11.49)           |
| (300)bp                                               | (11,043)                      | (22.43)           | (7,191)              | (15.61)           |

At June 30, 2026 and December 31, 2025, the Company's simulated exposure to an increase in interest rates shows that an immediate and sustained increase in rates of 1.00%, 2.00% or 3.00% would increase the Company's net interest income over a one year horizon compared to a flat interest rate scenario. At June 30, 2026 and December 31, 2025, the Company's simulated exposure to a decrease in interest rates shows that an immediate and sustained decrease in rates of 1.00%, 2.00% or 3.00% would decrease the Company's net interest income over a one year horizon compared to a flat interest rate scenario. During the six months ended June 30, 2026, management evaluated and adjusted deposit rate betas, instrument prepayment speeds, and key interest rate index ties in its scenarios to better reflect the current interest rate environment and increased competitive pressure.

**PART I - ITEM 3**  
**QUANTITATIVE AND QUALITATIVE DISCLOSURES**  
**ABOUT MARKET RISK**  
**FIRST CAPITAL, INC.**

The Company also has longer term interest rate risk exposure, which may not be appropriately measured by Net Interest Income at Risk modeling. Therefore, the Company also uses an Economic Value of Equity (“EVE”) interest rate sensitivity analysis in order to evaluate the impact of its interest rate risk on earnings and capital. This is measured by computing the changes in net EVE for its cash flows from assets, liabilities and off-balance sheet items in the event of a range of assumed changes in market interest rates. EVE modeling involves discounting present values of all cash flows for on and off balance sheet items under different interest rate scenarios and provides no effect given to any steps that management might take to counter the effect of the interest rate movements. The discounted present value of all cash flows represents the Company’s EVE and is equal to the market value of assets minus the market value of liabilities, with adjustments made for off-balance sheet items. The amount of base case EVE and its sensitivity to shifts in interest rates provide a measure of the longer term re-pricing and option risk in the balance sheet.

Results of the Company’s simulation modeling, which assumes an immediate and sustained parallel shift in market interest rates, project that the Company’s EVE could change as follows, relative to the Company’s base case scenario, based on June 30, 2026 and December 31, 2025 financial information:

| Immediate Change<br>in the Level<br>of Interest Rates | At June 30, 2026         |            |         |                                    |         |
|-------------------------------------------------------|--------------------------|------------|---------|------------------------------------|---------|
|                                                       | Economic Value of Equity |            |         | Economic Value of Equity as a      |         |
|                                                       | Dollar                   | Dollar     | Percent | Percent of Present Value of Assets |         |
|                                                       | Amount                   | Change     | Change  | EVE Ratio                          | Change  |
|                                                       | (Dollars in thousands)   |            |         |                                    |         |
| 300bp                                                 | \$ 221,191               | \$ (7,425) | (3.25)% | 18.79 %                            | 71 bp   |
| 200bp                                                 | 225,670                  | (2,946)    | (1.29)  | 18.70                              | 62 bp   |
| 100bp                                                 | 228,635                  | 19         | 0.01    | 18.50                              | 42 bp   |
| Static                                                | 228,616                  | —          | —       | 18.08                              | 0 bp    |
| (100)bp                                               | 224,786                  | (3,830)    | (1.68)  | 17.42                              | (66)bp  |
| (200)bp                                               | 215,893                  | (12,723)   | (5.57)  | 16.44                              | (164)bp |
| (300)bp                                               | 201,672                  | (26,944)   | (11.79) | 15.14                              | (294)bp |

  

| Immediate Change<br>in the Level<br>of Interest Rates | At December 31, 2025     |            |         |                                    |         |
|-------------------------------------------------------|--------------------------|------------|---------|------------------------------------|---------|
|                                                       | Economic Value of Equity |            |         | Economic Value of Equity as a      |         |
|                                                       | Dollar                   | Dollar     | Percent | Percent of Present Value of Assets |         |
|                                                       | Amount                   | Change     | Change  | EVE Ratio                          | Change  |
|                                                       | (Dollars in thousands)   |            |         |                                    |         |
| 300bp                                                 | \$ 196,627               | \$ (3,425) | (1.71)% | 17.19 %                            | 96 bp   |
| 200bp                                                 | 200,019                  | (33)       | (0.02)  | 17.04                              | 81 bp   |
| 100bp                                                 | 201,438                  | 1,386      | 0.69    | 16.73                              | 50 bp   |
| Static                                                | 200,052                  | —          | —       | 16.23                              | 0 bp    |
| (100)bp                                               | 197,721                  | (2,331)    | (1.17)  | 15.68                              | (55)bp  |
| (200)bp                                               | 192,020                  | (8,032)    | (4.01)  | 14.87                              | (136)bp |
| (300)bp                                               | 189,830                  | (10,222)   | (5.11)  | 14.32                              | (191)bp |

The tables indicate that at June 30, 2026 and December 31, 2025 the Company would expect an increase in its EVE in the event of a sudden and sustained 100 basis point increase in prevailing interest rates. At June 30, 2026 and December 31, 2025, the Company would expect a decrease in its EVE in the event of a sudden and sustained increase of 200 and 300 basis points. At June 30, 2026 and December 31, 2025, the Company would expect a decrease in its EVE in the event of a sudden and sustained 100, 200 and 300 basis point decrease in prevailing interest rates. As previously mentioned in this report, during the six months ended June 30, 2026, the Company evaluated and adjusted deposit rate betas, instrument prepayment speeds, and key interest rate index ties in its scenarios to better reflect the current interest rate environment and increased competitive pressure.

The models are driven by expected behavior in various interest rate scenarios and many factors besides market interest rates affect the Company’s net interest income and EVE. For this reason, the Company models many different combinations of interest rates and balance sheet assumptions to understand its overall sensitivity to market interest rate changes. Therefore, as with any method of measuring interest rate risk, certain shortcomings are inherent in the method of analysis presented in the foregoing tables and it is recognized that the model outputs are not guarantees of actual results. For example, although certain assets and liabilities may have similar maturities or periods to repricing, they may react in different degrees to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates. Additionally, certain assets, such as adjustable-rate mortgage loans, have features that restrict changes in interest rates on a short-term basis and over the life of the asset. Further, in the event of a change in interest rates, expected rates of prepayments on loans and early withdrawals from certificates of deposit could deviate significantly from those assumed in the modeling scenarios.

**PART I - ITEM 4  
CONTROLS AND PROCEDURES  
FIRST CAPITAL, INC.**

**Controls and Procedures**

The Company's management, including the Company's principal executive officer and principal financial officer, has evaluated the effectiveness of the Company's "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). Based upon their evaluation, the principal executive officer and principal financial officer concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective for the purpose of ensuring that the information required to be disclosed in the reports that the Company files or submits under the Exchange Act with the SEC (1) is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (2) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting during the six months ended June 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II  
OTHER INFORMATION  
FIRST CAPITAL, INC.**

**Item 1. Legal Proceedings**

None.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors previously disclosed in the “Risk Factors” section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2025.

Recent changes in international trade regulation or foreign trade policy, including tariffs, could lead to higher than anticipated inflation and supply chain disruption, which may impact consumer and commercial borrower performance.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

| Period                         | (a) Total Number of<br>Shares Purchased | (b) Average Price<br>Paid Per Share | (c) Total Number of<br>Shares Purchased as<br>Part of Publicly<br>Announced Plans or<br>Programs | (d) Maximum<br>Number of Shares<br>that May Yet Be<br>Purchased Under the<br>Plans or Programs |
|--------------------------------|-----------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| April 1 through April 30, 2026 | —                                       | \$ —                                | —                                                                                                | 99,989                                                                                         |
| May 1 through May 31, 2026     | 286                                     | 55.12                               | 286                                                                                              | 99,703                                                                                         |
| June 1 through June 30, 2026   | —                                       | —                                   | —                                                                                                | 99,703                                                                                         |
| Total                          | <u>286</u>                              | <u>\$ 55.12</u>                     | <u>286</u>                                                                                       |                                                                                                |

On August 29, 2025, the Company entered into a Joint Rule 10b5-1/Rule 10b-18 Plan Agreement (the “Plan”) under which the Company’s designated broker has the authority to repurchase up to 113,236 shares of common stock of the Company. The Plan commenced on September 4, 2025, and expires on August 28, 2026. The Plan was established in connection with the Company’s previously disclosed stock repurchase authorization, which was approved by the Company’s Board of Directors on August 19, 2008.

**Item 3. Defaults upon Senior Securities**

Not applicable.

**Item 4. Mine Safety Disclosures**

Not applicable.

**Item 5. Other Information**

None.

**PART II**  
**OTHER INFORMATION**  
**FIRST CAPITAL, INC.**

**Item 6. Exhibits**

|         |                                                                                                                                                                     |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1     | <a href="#">Articles of Incorporation of First Capital, Inc. (1)</a>                                                                                                |
| 3.2     | <a href="#">Fifth Amended and Restated Bylaws of First Capital, Inc. (2)</a>                                                                                        |
| 31.1    | <a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer</a>                                                                                   |
| 31.2    | <a href="#">Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer</a>                                                                                   |
| 32.1    | <a href="#">Section 1350 Certification of Chief Executive Officer</a>                                                                                               |
| 32.2    | <a href="#">Section 1350 Certification of Chief Financial Officer</a>                                                                                               |
| 101.INS | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded with the Inline XBRL document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document                                                                                                                      |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document                                                                                                        |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document                                                                                                         |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document                                                                                                              |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document                                                                                                       |
| 104     | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)                                                                            |

- 
- (1) Incorporated by reference to Exhibit 3.1 filed with the Registration Statement on Form SB-2 on September 16, 1998, and any amendments thereto, Registration No. 333-63515, as amended by that Amendment to Articles of Incorporation provided as Exhibit 3.1 to the Report on Form 8-K filed with the Securities and Exchange Commission on May 19, 2016.
- (2) Incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed with the Securities and Exchange Commission on June 18, 2013.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIRST CAPITAL, INC.  
(Registrant)

**Dated** August 12, 2026

---

**BY:** /s/ Michael C. Frederick  
Michael C. Frederick  
President and CEO

**Dated** August 12, 2026

---

**BY:** /s/ Joshua P. Stevens  
Joshua P. Stevens  
Executive Vice President, CFO and Treasurer

## CERTIFICATION

I, Michael C. Frederick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of First Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and in preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Michael C. Frederick

Michael C. Frederick

President and Chief Executive Officer

---

## CERTIFICATION

I, Joshua P. Stevens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of First Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and in preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Joshua P. Stevens

Joshua P. Stevens

Executive Vice President, Chief Financial Officer and Treasurer

---

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of First Capital, Inc. and Subsidiaries (the "Company") on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission (the "Report"), I, Michael C. Frederick, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

**DATE:** August 12, 2026

**BY:** /s/ Michael C. Frederick

\_\_\_\_\_  
Michael C. Frederick  
President and Chief  
Executive Officer  
(Principal Executive Officer)

---

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of First Capital, Inc. and Subsidiaries (the “Company”) on Form 10-Q for the period ended June 30, 2026, as filed with the Securities and Exchange Commission (the “Report”), I, Joshua P. Stevens, Executive Vice President, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

**DATE:** August 12, 2026

**BY:** /s/ Joshua P. Stevens

Joshua P. Stevens  
Executive Vice President, Chief  
Financial Officer and Treasurer  
(Principal Financial and Accounting Officer)

---