

FIRST CAPITAL INC  
Form 10-Q  
May 09, 2018

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 10-Q**

(Mark One)

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

For the quarterly period ended March 31, 2018

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

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(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) 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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 small 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.

(Check one): 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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 3,356,964 shares of common stock were outstanding as of April 27, 2018.

FIRST CAPITAL, INC.

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**Signatures**

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

	March 31, 2018	December 31, 2017
	(In thousands)	
<b>ASSETS</b>		
Cash and due from banks	\$ 15,298	\$ 19,478
Interest bearing deposits with banks	2,644	730
Federal funds sold	21,543	5,707
Total cash and cash equivalents	39,485	25,915
Interest-bearing time deposits	8,019	9,258
Securities available for sale, at fair value	264,843	271,172
Securities-held to maturity	-	1
Loans, net	407,279	409,618
Loans held for sale	2,141	2,630
Federal Home Loan Bank and other stock, at cost	1,979	1,979
Foreclosed real estate	3,809	3,971
Premises and equipment	14,806	15,031
Accrued interest receivable	2,650	2,694
Cash value of life insurance	8,322	7,279
Goodwill	6,472	6,472
Core deposit intangible	1,076	1,112
Other assets	6,443	1,824
<b>Total Assets</b>	<b>\$ 767,324</b>	<b>\$ 758,956</b>
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$ 139,111	\$ 129,828
Interest-bearing	542,460	534,734
Total deposits	681,571	664,562
Advances from Federal Home Loan Bank	-	10,000
Accrued interest payable	98	107
Accrued expenses and other liabilities	6,209	3,237
Total liabilities	687,878	677,906
<b>EQUITY</b>		
Preferred stock of \$.01 par value per share		

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Authorized 1,000,000 shares; none issued	-	-
Common stock of \$.01 par value per share Authorized 7,500,000 shares; issued 3,782,933 shares (3,762,933 in 2017); outstanding 3,356,964 shares (3,336,964 in 2017)	38	38
Additional paid-in capital	40,263	39,515
Retained earnings-substantially restricted	53,333	51,972
Unearned stock compensation	(911 )	(212 )
Accumulated other comprehensive loss	(5,077 )	(2,060 )
Less treasury stock, at cost - 425,969 shares	(8,315 )	(8,315 )
Total First Capital, Inc. stockholders' equity	79,331	80,938
Noncontrolling interest in subsidiary	115	112
Total equity	79,446	81,050
<b>Total Liabilities and Equity</b>	<b>\$767,324</b>	<b>\$758,956</b>

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31, 2018    2017 (In thousands, except per share data)	
<b>INTEREST INCOME</b>		
Loans, including fees	\$5,301	\$4,947
Securities:		
Taxable	952	933
Tax-exempt	378	329
Dividends	33	17
Other interest income	100	117
Total interest income	6,764	6,343
<b>INTEREST EXPENSE</b>		
Deposits	321	359
Advances from Federal Home Loan Bank	21	-
Total interest expense	342	359
Net interest income	6,422	5,984
Provision for loan losses	197	211
Net interest income after provision for loan losses	6,225	5,773
<b>NONINTEREST INCOME</b>		
Service charges on deposit accounts	1,109	1,001
Commission and fee income	88	114
Gain on sale of securities available for sale.	1	-
Gain on sale of loans	240	257
Increase in cash value of life insurance	43	41
Other income	45	40
Total noninterest income	1,526	1,453
<b>NONINTEREST EXPENSE</b>		
Compensation and benefits	2,894	2,720
Occupancy and equipment	413	381
Data processing	744	648
Professional fees	178	163
Advertising	85	100
Net loss on foreclosed real estate	121	311
Other expenses	819	832
Total noninterest expense	5,254	5,155
Income before income taxes	2,497	2,071



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Income tax expense	361	515
Net Income	2,136	1,556
Less: net income attributable to the noncontrolling interest in subsidiary	3	3
Net Income Attributable to First Capital, Inc.	\$2,133	\$1,553
Earnings per common share attributable to First Capital, Inc.:		
Basic	\$0.64	\$0.46
Diluted	\$0.64	\$0.46
Dividends per share on common shares	\$0.23	\$0.21

See accompanying notes to consolidated financial statements.

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

	Three Months Ended March 31, 2018 (In thousands)	2017
Net Income	\$ 2,136	\$ 1,556
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized gains (losses) on securities available for sale:		
Unrealized holding gains (losses) arising during the period	(4,015 )	753
Income tax (expense) benefit	999	(288 )
Net of tax amount	(3,016 )	465
Less:reclassification adjustment for realized gains included in net income	(1 )	-
Income tax expense	-	-
Net of tax amount	(1 )	-
Other Comprehensive Income (Loss), net of tax	(3,017 )	465
Comprehensive Income (Loss)	(881 )	2,021
Less: comprehensive income attributable to the noncontrolling interest in subsidiary	3	3
Comprehensive Income (Loss) Attributable to First Capital, Inc.	\$ (884 )	\$ 2,018

See accompanying notes to consolidated financial statements.

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

(In thousands, except share and per share data)	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Unearned Stock Compensation	Treasury Stock	Noncontrolling Interest	Total
Balances at January 1, 2017	\$ 38	\$ 39,515	\$ 47,051	\$ (2,277 )	\$ (300 )	\$ (8,297)	\$ 112	\$ 75,842
Net income	-	-	1,553	-	-	-	3	1,556
Other comprehensive income	-	-	-	465	-	-	-	465
Cash dividends	-	-	(701 )	-	-	-	-	(701 )
Stock compensation expense	-	-	-	-	21	-	-	21
Balances at March 31, 2017	\$ 38	\$ 39,515	\$ 47,903	\$ (1,812 )	\$ (279 )	\$ (8,297)	\$ 115	\$ 77,183