

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). ► Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2009
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information
1a Name of plan <u>MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401 (K) PLAN</u>	1b Three-digit plan number (PN) ► <u>003</u> 1c Effective date of plan <u>01/01/1999</u>
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>MUTUALFIRST FINANCIAL, INC</u> <u>110 EAST CHARLES STREET</u> <u>MUNCIE, IN 47305</u>	2b Employer Identification Number (EIN) <u>35-0536850</u> 2c Sponsor's telephone number <u>765-747-2847</u> 2d Business code (see instructions) <u>551111</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<u>Filed with authorized/valid electronic signature.</u>	<u>10/14/2010</u>	<u>DOROTHY DOUGLASS</u>
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") MUTUALFIRST FINANCIAL, INC 110 EAST CHARLES STREET MUNCIE, IN 47305	3b Administrator's EIN 35-0536850 3c Administrator's telephone number 765-747-2847
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	429
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	421
b Retired or separated participants receiving benefits.....	6b	46
c Other retired or separated participants entitled to future benefits.....	6c	54
d Subtotal. Add lines 6a , 6b , and 6c	6d	521
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	0
f Total. Add lines 6d and 6e	6f	521
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	502
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	8

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 2E 2F 2G 2I 2J 2K 2P 2S 3D 3H

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
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10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☐ **C** (Service Provider Information)
 (5) ☐ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401 (K) PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MUTUALFIRST FINANCIAL, INC</u>	D Employer Identification Number (EIN) <u>35-0536850</u>	

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a	<u>5923</u>	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		<u>1033458</u>
(2) U.S. Government securities.....	1c(2)	<u>39</u>	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		<u>201226</u>
(9) Value of interest in common/collective trusts.....	1c(9)		
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		<u>13788929</u>
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)	3015657	3160642
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	3021619	18184255

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	1996523	1645164
j Other liabilities	1j		21058
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1996523	1666222

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	1025096	16518033
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	1133626	
(B) Participants	2a(1)(B)	609329	
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1742955

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	365	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		365

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	347783	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		347783

(3) Rents	2b(3)		
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(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	825436	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		825436
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2916539

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	699524	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		699524
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		127777
i Administrative expenses: (1) Professional fees	2i(1)	3302	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		3302
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		830603

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		2085936
l Transfers of assets:			
(1) To this plan.....	2l(1)		13407001
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: BKD, LLP

(2) EIN: 44-0160260

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....		X	9000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....	X		
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	X		

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401 (K) PLAN</u>	B Three-digit plan number (PN) ▶ <u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MUTUALFIRST FINANCIAL, INC</u>	D Employer Identification Number (EIN) <u>35-0536850</u>

Part I	Distributions
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All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>20-1171923</u> <u>26-0010549</u> Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>28</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
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4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☐ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☐ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....	☐ Yes	☐ No	☐ N/A

Part III	Amendments
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9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☐ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
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10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☒ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☒ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☒ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☒ No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Mutual Bank Employee Stock Ownership and 401(k) Plan

EIN 35-2085640 PN 003

Accountants' Report and Financial Statements
December 31, 2009 and 2008

Mutual Bank Employee Stock Ownership and 401(k) Plan

December 31, 2009 and 2008

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Independent Accountants' Report

Plan Administrator and Audit Committee
Mutual Bank Employee Stock Ownership and 401(k) Plan
Muncie, Indiana

We were engaged to audit the accompanying statements of net assets available for benefits of Mutual Bank Employee Stock Ownership and 401(k) Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended December 31, 2009 and 2008 and the accompanying supplemental schedules. These financial statements and schedules are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Plan Administrator instructed us not to perform, and we did not perform, auditing procedures with respect to the information summarized in Note 4, which was certified by Mid Atlantic Trust Company and First Bankers Trust Services, Inc., the custodians of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Plan Administrator that the custodians hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the custodians as of and for the years ended December 31, 2009 and 2008, that the information provided to the Plan Administrator by the custodians is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements and schedules taken as a whole. The form and content of the information included in the financial statements and schedules, other than that derived from the information certified by the custodian, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

BKD, LLP

Indianapolis, Indiana
October 13, 2010

Federal Employer Identification Number: 44-0160260

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2009 and 2008

Assets

	2009			2008		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investments , at fair value						
<i>MutualFirst</i> Financial, Inc. common stock	\$ 2,400,357	\$ 760,285	\$ 3,160,642	\$ 1,942,941	\$ 1,072,716	\$ 3,015,657
Mutual funds	14,822,387	-	14,822,387	39	-	39
Participant loans	201,226	-	201,226	-	-	-
	<u>17,423,970</u>	<u>760,285</u>	<u>18,184,255</u>	<u>1,942,980</u>	<u>1,072,716</u>	<u>3,015,696</u>
 Receivables - employer contribution	 -	 -	 -	 -	 5,923	 5,923
Total assets	<u>17,423,970</u>	<u>760,285</u>	<u>18,184,255</u>	<u>1,942,980</u>	<u>1,078,639</u>	<u>3,021,619</u>
 Liabilities						
Loan payable	-	1,645,164	1,645,164	-	1,996,523	1,996,523
Accrued dividends payable	-	21,058	21,058	-	-	-
Total liabilities	<u>-</u>	<u>1,666,222</u>	<u>1,666,222</u>	<u>-</u>	<u>1,996,523</u>	<u>1,996,523</u>
 Net Assets (Deficit) Available for Benefits	 <u>\$ 17,423,970</u>	 <u>\$ (905,937)</u>	 <u>\$ 16,518,033</u>	 <u>\$ 1,942,980</u>	 <u>\$ (917,884)</u>	 <u>\$ 1,025,096</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2009 and 2008

	2009			2008		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investment Income (Loss)						
Net appreciation (depreciation) in fair value of investments	\$ 934,426	\$ (108,990)	\$ 825,436	\$ (1,695,174)	\$ (1,418,524)	\$ (3,113,698)
Interest	365	-	365	3,243	-	3,243
Dividends	300,107	47,676	347,783	155,242	122,051	277,293
Net investment income (loss)	1,234,898	(61,314)	1,173,584	(1,536,689)	(1,296,473)	(2,833,162)
Contributions						
Employer	721,461	412,165	1,133,626	-	410,363	410,363
Participants	609,329	-	609,329	-	-	-
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at market	190,069	-	190,069	214,543	-	214,543
Transfer in of assets	13,407,001	-	13,407,001			
	14,927,860	412,165	15,340,025	214,543	410,363	624,906
Total	16,162,758	350,851	16,513,609	(1,322,146)	(886,110)	(2,208,256)
Deductions						
Benefits paid	678,466	21,058	699,524	221,030	-	221,030
Interest expense	-	127,777	127,777	-	148,912	148,912
Administrative expenses	3,302		3,302			
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at market	-	190,069	190,069	-	214,543	214,543
Total	681,768	338,904	1,020,672	221,030	363,455	584,485
Net Increase (Decrease)	15,480,990	11,947	15,492,937	(1,543,176)	(1,249,565)	(2,792,741)
Net Assets (Deficit) Available for Benefits, Beginning of Year	1,942,980	(917,884)	1,025,096	3,486,156	331,681	3,817,837
Net Assets (Deficit) Available for Benefits, End of Year	\$ 17,423,970	\$ (905,937)	\$ 16,518,033	\$ 1,942,980	\$ (917,884)	\$ 1,025,096

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

Note 1: Description of the Plan

The following description of Mutual Bank Employee Stock Ownership and 401(k) Plan (Plan) provides only general information. Participants should refer to the Plan Document and *Summary Plan Description* for a more complete description of the Plan's provisions.

General

MutualFirst Financial, Inc. (Company) established the Plan effective January 1, 1999. Effective July 1, 2009, the Plan was amended and restated to allow for the assets of two former 401(k) plans to be transferred and included in the Plan. The Plan operates, in relevant part, as a leveraged employee stock ownership plan (ESOP), and is designed to comply with Section 4975(e)(7) and the regulations thereunder of the Internal Revenue Code of 1986, as amended (Code), and is subject to the applicable provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by a Bank Pension Committee comprising up to five persons appointed by the Company's Board of Directors. First Bankers Trust Services is the trustee for all MutualFirst Financial, Inc. common stock held by the Plan and Mid Atlantic Trust Company serves as the trustee for all other assets of the plan.

The Plan purchased Company common shares using the proceeds of a borrowing from the Company and holds the stock in a trust established under the Plan. The borrowing is to be repaid over a period of 15 years by fully deductible Company contributions to the trust fund. As the Plan makes each payment of principal, an appropriate percentage of stock will be allocated to eligible employees' accounts in accordance with applicable regulations under the Code.

Unallocated and Allocated Shares

The borrowing is collateralized by the unallocated shares of stock and is guaranteed by the Company. The lender has no rights against shares once they are allocated under the ESOP. Accordingly, the financial statements of the Plan present separately the assets and liabilities and changes therein pertaining to:

- (a) The accounts of employees with vested rights in allocated stock (Allocated)
- (b) Stock not yet allocated to employees (Unallocated)

Contributions

The Plan permits eligible employees through a salary reduction election to make annual pre-tax contributions up to IRS limitations to their respective 401(k) portion of the Plan. The Plan also allows for Roth 401(k) post-tax contributions, if desired by the participant. The Company may contribute a discretionary matching contribution based upon existing employee salary deferrals. Additionally, a discretionary profit-sharing contribution is also permitted. Employee rollover contributions are permitted.

In addition to salary reduction contributions, the Company may make contributions to the employee stock ownership portion of the Plan either in the form of cash or in Company stock. Forfeitures are used to reduce Company contributions.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

Participation

Employees of the Company are generally eligible to participate in the Plan after completing 30 days of service and attaining the age of 21.

Participant Investment Options

For the 401(k) portion of the Plan, investment account options available include various funds. Each participant has the option of directing his contributions into any of the separate investment accounts and may change the allocation daily. Participants who have participated in the Plan for at least three years may diversify their ESOP account by investing up to 25% of their account value in assets other than qualifying employer securities.

Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's contribution and Plan earnings and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances, as defined. The benefits to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting

Participants in the ESOP portion of the Plan are not 100% vested in their account until they have reached three years of credited service. Participants terminating due to normal retirement, death or disability will be 100% vested. The nonvested balance is forfeited upon termination of service. Benefits forfeited will be added to the Company's regular and profit-sharing contributions, as applicable. Participants in the 401(k) portion of the Plan are immediately vested.

Payment of Benefits

Upon termination of service, a participant may receive a lump-sum or, if a participant elects, in the form of Company common shares plus cash for any fractional shares.

In-service withdrawals for participants that have a hardship or attained age 59 ½ are also available.

Voting Rights

Each participant is entitled to exercise voting rights attributable to the shares allocated to his or her account and is notified by the trustee prior to the time that such rights are to be exercised. The trustee is permitted to vote, in its discretion, any share for which a participant has not given timely instructions.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

Participant Loans

The Plan Document includes provisions authorizing loans from the Plan to active eligible participants. Loans are made to any eligible participant demonstrating a qualifying need. The minimum amount of a loan shall be \$1,000. The maximum amount of a participant's loans is determined by the available loan balance restricted to the lesser of \$50,000 or 50% of the participant's vested account balance. All loans are covered by demand notes and are repayable over a period not to exceed five years (except for loans for the purchase of a principal residence) through payroll withholdings unless the participant is paying the loan in full. Interest on the loans is based on a reasonable rate determined by the Plan Administrator.

Plan Termination

The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or the participant's beneficiary at the time prescribed by the Plan terms and the Code. Upon termination of the Plan, the Bank Pension Committee shall direct the trustee to pay all liabilities and expenses of the trust fund and to sell shares of financed stock held in the loan suspense account to the extent it determines such sale to be necessary in order to repay the loan. In the event of Plan termination, participants will become 100% vested in their accounts.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

Investment Valuation and Income Recognition

The common shares of the Company are valued at the closing price reported on the active market on which they are traded. Mutual funds are valued at the net asset value (NAV) of shares held by the Plan at year-end. Participant loans and money market funds are valued at amortized cost, which approximates fair value.

Dividend income is accrued on the ex-dividend date.

Purchases and sales of securities are recorded on a trade-date basis. Realized gains and losses from security transactions are reported on the average cost method.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Administrative Expenses

Administrative expenses may be paid by the Company or the Plan, at the Company's discretion.

Plan Tax Status

The Plan obtained its latest determination letter on March 25, 2002, in which the Internal Revenue Service stated that the Plan and related trust, as then designed, were in compliance with the applicable requirements of the Internal Revenue Code and therefore not subject to tax. The Plan has been amended and restated since receiving the determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. With a few exceptions, the Plan is no longer subject to U.S. federal, state and local or non-U.S. income tax examinations by tax authorities for years before 2006.

Note 3: Administration of ESOP Plan Assets

First Bankers Trust Services, Inc., the custodian for the ESOP component of the Plan, holds Plan assets, which consists principally of common shares of *MutualFirst* Financial, Inc.

Company contributions are held and managed by the trustee, which invests cash received, interest and dividend income and makes distributions to participants. The trustee also administers the payment of interest and principal on the loan, which is reimbursed to the trustee through contributions as determined by the Company.

Officers or employees of the Company perform certain administrative functions. No such officer or employee receives compensation from the Plan. Administrative expenses for the trustee's fees are paid directly by the Company.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 4: Investments

Except for the ESOP assets which are held by First Bankers Trust Services, Inc., as previously disclosed in Note 3, the Plan's investments are held by a bank-administered trust fund. The Plan's investments are presented in the following table:

	2009		2008	
	Allocated	Unallocated	Allocated	Unallocated
<i>*MutualFirst</i> Financial, Inc. common shares				
Number of shares	401,397	127,137	287,843	158,921
Cost	<u>\$ 3,672,273</u>	<u>\$ 1,238,482</u>	<u>\$ 2,437,058</u>	<u>\$ 1,944,127</u>
Fair value	\$ 2,400,357	\$ 760,285	\$ 1,942,941	\$ 1,072,716
Mutual funds	14,822,387	-	39	-
Participant loans	<u>201,226</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>\$17,423,970</u></u>	<u><u>\$ 760,285</u></u>	<u><u>\$ 1,942,980</u></u>	<u><u>\$ 1,072,716</u></u>

Interest and dividends realized on the Plan's investments as of December 31, 2009 and 2008, were \$348,148 and \$280,536, respectively.

The fair value of individual investments that represented 5% or more of the Plan's net assets available for benefits were as follows at December 31, 2009 and 2008:

	2009	2008
<i>MutualFirst</i> Financial, Inc. Common Stock	\$ 3,160,642	\$ 3,015,657
American Funds EuroPacific	982,609	-
American Funds Growth	1,194,109	-
Neuberger Berman Genesis	885,970	-
Vanguard Wellington	1,551,947	-
Vanguard Target Retirement 2015	1,424,028	-
Vanguard Target Retirement 2025	1,358,318	-
Vanguard Short-Term Bond Index	920,191	-
American Funds Money Market	998,943	-

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

The Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated) in fair value as follows:

	Net Appreciation (Depreciation) in Fair Value During Year	
	2009	2008
<i>MutualFirst</i> Financial, Inc. common shares*	\$ (483,127)	\$ (3,113,698)
Mutual funds	1,308,563	-
	<u>\$ 825,436</u>	<u>\$ (3,113,698)</u>

*Nonparticipant directed

Note 5: Fair Value of Plan Assets

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires a plan to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statements of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy. The Plan had no recurring assets to measure at fair value at December 31, 2009 and 2008.

Investments

Where quoted market prices are available in an active market, securities were classified within Level 1 of the valuation hierarchy. Level 1 securities included common stock, mutual funds and money market funds. If quoted market prices were not available, then fair values were estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. In certain cases where Level 1 or Level 2 inputs were not available, securities were classified within Level 3 of the hierarchy. The Plan held no investments classified as Level 2 at December 31, 2009 and 2008. Participant loans are classified as Level 3 investments at December 31, 2009. There were no investments classified as Level 3 at December 31, 2008.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009.

Common stock: Valued using trade price listed on a public securities exchange on the last day of the Plan year.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end.

Money Market funds: Valued at amortized cost, which approximates fair value.

Participant loans: Valued at amortized cost, which approximates fair value.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

The following tables present the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2009 and 2008:

2009				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 3,160,642	\$ 3,160,642	\$ -	\$ -
Mutual Funds				
Foreign Funds	982,609	982,609	-	-
Intermediate Term Funds	898,623	898,623	-	-
Large Funds	2,572,969	2,572,969	-	-
Mid-Cap Funds	418,477	418,477	-	-
Moderate Allocation Funds	1,551,947	1,551,947	-	-
Target Retirement Funds	4,403,809	4,403,809	-	-
Short Term Bond Funds	920,191	920,191	-	-
Small Funds	1,313,009	1,313,009	-	-
World Stock Fund	727,295	727,295	-	-
Money market funds	1,033,458	1,033,458	-	-
Participant loans	201,226	-	-	201,226
	<u>\$ 18,184,255</u>	<u>\$ 17,983,029</u>	<u>\$ -</u>	<u>\$ 201,226</u>

2008				
Fair Value Measurements Using				
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock	\$ 3,015,657	\$ 3,015,657	\$ -	\$ -
Money market funds	39	39	-	-
	<u>\$ 3,015,696</u>	<u>\$ 3,015,696</u>	<u>\$ -</u>	<u>\$ -</u>

Realized and unrealized gains and losses included in net decrease in net assets available for benefits for the period from December 31, 2009 and 2008, are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

The following sets forth a summary of changes in the fair value of the Plan's Level 3 assets for the year ended December 31, 2009:

	Participant Loans
Balance, January 1, 2009	\$ -
Loan proceeds and transfer from another plan, net of payments, etc.	<u>201,226</u>
Balance, December 31, 2009	<u><u>\$ 201,226</u></u>

Note 6: Net Assets by Participant and Nonparticipant-Directed Investments

Information about the net assets and the significant components of the changes in net assets relating to the participant and nonparticipant-directed investments is as follows:

	Participant- Directed Funds	2009 Nonparticipant- Directed ESOP Funds	Total
Additions			
Investment income (loss)			
Net appreciation (depreciation)			
in fair value of investments	\$ 1,308,563	\$ (483,127)	\$ 825,436
Interest	-	365	365
Dividends	200,443	147,340	347,783
Employer contributions	589,518	544,108	1,133,626
Participant contributions	609,329	-	609,329
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	190,069	190,069
Transfer	12,886,671	520,330	13,407,001
Total	<u>15,594,524</u>	<u>919,085</u>	<u>16,513,609</u>
Deductions			
Benefits paid to participants	456,103	243,421	699,524
Interest expense	-	127,777	127,777
Administrative expense	3,302	-	3,302
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	190,069	190,069
Total	<u>459,405</u>	<u>561,267</u>	<u>1,020,672</u>
Net Increase	15,135,119	357,818	15,492,937
Net Assets Available for Benefits, Beginning of Year	<u>-</u>	<u>1,025,096</u>	<u>1,025,096</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 15,135,119</u></u>	<u><u>\$ 1,382,914</u></u>	<u><u>\$ 16,518,033</u></u>

All 2008 net assets were nonparticipant-directed.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2009 and 2008

Note 7: Reconciliation of Financial Statements to Form 5500

Differences between the 2008 Annual Return/Report of Employee Benefit Plan (Form 5500) filed with the Internal Revenue Service and the accompanying financial statements include the reporting of contribution receivables on the statements of net assets available for benefits, which are not included on the 2008 Form 5500.

Note 8: Loan Payable

On December 30, 1999, the Plan entered into a \$4,655,680 term loan agreement with the Company. The proceeds of the loan were used to purchase Company common stock. Unallocated shares are collateral for the loan. The agreement provides for the loan to be repaid over 15 years. The loan bears interest at 6.4%.

The scheduled amortization of the loan for the next five years is as follows:

2010	\$ 373,846
2011	397,772
2012	423,230
2013	450,316
	<hr/>
	\$ 1,645,164
	<hr/>

Interest expense for 2009 and 2008 was \$127,777 and \$148,912, respectively.

Note 9: Employer Contributions

The Company is obligated to make contributions in cash to the Plan which, when aggregated with the Plan's dividends and interest earnings, equal the amount necessary to enable the Plan to make its regularly scheduled payments of principal and interest due on its term loan.

Note 10: Party-in-Interest Transactions

Party-in-interest transactions include those with fiduciaries or employees of the Plan, any person who provides services to the Plan, an employer whose employees are covered by the Plan, an employee organization whose members are covered by the Plan, a person who owns 50% or more of such an employer or employee association, or relatives of such persons.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2009 and 2008

The Plan invests in common stock of the Company and has a loan payable to the Company. Administrative fees paid to the trustee of \$15,280 and \$13,360 for 2009 and 2008, respectively, were funded by the Company and are not reflected in the accompanying financial statements. The Plan also invests in certain funds of the Plan custodian.

The Company provides certain administrative services at no cost to the Plan.

Note 11: Risks and Uncertainties

The Plan invests in Company common stock, which is exposed to various risks, such as market and credit risk. Due to the level of risk associated with such investment securities and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risk in the near term could materially affect the participants' account balances and the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

The current economic environment presents retirement plans with difficult circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments. The financial statements have been prepared using values and information currently available to the Plan.

Given the volatility of current economic conditions, the values of assets recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Plan.

Note 12: Subsequent Events

Subsequent events have been evaluated through October 13, 2010, which is the date the financial statements were available to be issued.

Supplemental Schedules

Mutual Bank Employee Stock Ownership and 401(k) Plan

EIN 35-2085640 PN 003

Schedule H, Line 4i - Schedule of Assets (Held at End of Year) December 31, 2009

(a)(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	(d) Cost	(e) Current Value
Company Stock			
*MutualFirst Financial, Inc.	528,354 shares	\$ 4,910,755	\$ 3,160,642
Mutual Funds			
American Funds American Mutual	31,784.3220 shares	-	736,125
American Funds Capital World Growth and Income	21,340.8270 shares	-	727,295
American Funds EuroPacific	25,668.9860 shares	-	982,609
American Funds Growth	43,772.3260 shares	-	1,194,109
Neuberger Berman Genesis	32,381.9470 shares	-	885,970
Northern Mid Cap Index	43,819.5530 shares	-	418,477
Vanguard Dividend Growth	48,802.9280 shares	-	642,735
Vanguard Wellington	53,793.6650 shares	-	1,551,947
Vanguard Total Bond Market Index	86,823.4470 shares	-	898,623
Vanguard Target Retirement Income	52,376.7260 shares	-	554,670
Vanguard Target Retirement 2015	125,908.7760 shares	-	1,424,028
Vanguard Target Retirement 2025	119,992.7380 shares	-	1,358,318
Vanguard Target Retirement 2035	47,679.3580 shares	-	554,034
Vanguard Target Retirement 2045	42,658.7800 shares	-	512,759
Vanguard Small Cap Growth Index	25,373.7850 shares	-	427,039
Vanguard Short-Term Bond Index	88,310.0570 shares	-	920,191
		-	13,788,929
Money Market Fund			
American Funds Money Market	998,942.962 shares	-	998,943
Federated Prime Management	34,514.89 shares	34,515	34,515
		34,515	1,033,458
Participant Loans			
	4.25% - 9.25%	-	201,226
		\$ 34,515	\$ 18,184,255

*Party-in-interest

Mutual Bank Employee Stock Ownership and 401(k) Plan

EIN 35-2085640 PN 003

Schedule H, Line 4j - Schedule of Reportable Transactions Year Ended December 31, 2009

Description	Purchase/ Transfer Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain or (Loss)
MutualFirst Financial, Inc. Common Stock					
Purchases and transfer from prior trustee	\$ 2,111,787		\$ 2,111,787	\$ 2,111,787	
Sales		\$ 1,702,312	1,721,388	1,702,312	\$ (19,076)