

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). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2010 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information		
For calendar plan year 2010 or fiscal plan year beginning <u>01/01/2010</u> and ending <u>12/31/2010</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.)			2b Employer Identification Number (EIN) <u>35-2085640</u>
			2c Sponsor's telephone number <u>765-747-2847</u>
<u>110 EAST CHARLES STREET</u> <u>MUNCIE, IN 47305</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	Filed with authorized/valid electronic signature.	11/29/2012	DOROTHY DOUGLASS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	11/29/2012	DOROTHY DOUGLASS
	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 (2010)
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 35-2085640 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 MUTUALFIRST FINANCIAL, INC.	4b EIN 35-0536850 4c PN 003	
5 Total number of participants at the beginning of the plan year	5	523
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	410
b Retired or separated participants receiving benefits.....	6b	83
c Other retired or separated participants entitled to future benefits.....	6c	44
d Subtotal. Add lines 6a , 6b , and 6c	6d	537
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	1
f Total. Add lines 6d and 6e	6f	538
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	508
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	

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 C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2010
		This Form is Open to Public Inspection.

For calendar plan year 2010 or fiscal plan year beginning **01/01/2010** and ending **12/31/2010**

A Name of plan MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 MUTUALFIRST FINANCIAL, INC.	D Employer Identification Number (EIN) 35-2085640	

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
WELLS FARGO ADVANTAGE GROWTH I	WELLS FARGO FUNDS TRUST 525 MARKET STREET SAN FRANCISCO, CA 94163

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation	
VANGUARD	P.O. BOX 2600 V34 VALLEY FORGE, PA 19482

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
NEUBERGER BERMAN GENESIS INVESTMENT	NEUBERGER BERMAN EQUITY FUNDS 605 THIRD AVE. 2ND FL NEW YORK, NY 10158-0006

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation	
AMERICAN FUNDS	333 SOUTH HOPE STREET LOS ANGELES, CA 90071-1447

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

MUTUALFIRST FINANCIAL, INC.

11711 N. MERIDIAN STREET, STE 170
CARMEL, IN 46032

35-2085640

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 37 38 50 64	PLAN RECORD K EEPER	45091	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III	Termination Information on Accountants and Enrolled Actuaries (see instructions) (complete as many entries as needed)
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a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

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
		2010
		This Form is Open to Public Inspection

For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010		
A Name of plan MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN	B Three-digit plan number (PN) ►	003
C Plan sponsor's name as shown on line 2a of Form 5500 MUTUALFIRST FINANCIAL, INC.	D Employer Identification Number (EIN) 35-2085640	

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		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		0
(2) Participant contributions	1b(2)		0
(3) Other	1b(3)		
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1033458	0
(2) U.S. Government securities	1c(2)		
(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)	201226	336845
(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)	13788929	16538385
(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)	3160642	4775967
(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	18184255	21651197

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i	1645164	1271318
j Other liabilities	1j	21058	21598
k Total liabilities (add all amounts in lines 1g through 1j)	1k	1666222	1292916

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	16518033	20358281
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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)	909532	
(B) Participants	2a(1)(B)	1157594	
(C) Others (including rollovers)	2a(1)(C)	31001	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2098127

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	0	
(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)	13125	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		13125

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	426020	
(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)		426020

(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)		

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)	3251876	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		3251876
(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		5789148

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1798519	
(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)		1798519
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		105290
i Administrative expenses: (1) Professional fees	2i(1)	45091	
(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)		45091
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		1948900

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		3840248
l Transfers of assets:			
(1) To this plan.....	2l(1)		0
(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		10000000
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.			

- 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)

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 2010 This Form is Open to Public Inspection.
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For calendar plan year 2010 or fiscal plan year beginning 01/01/2010 and ending 12/31/2010

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>35-2085640</u>

Part I	Distributions
---------------	----------------------

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
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

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)
----------------	--

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

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

Schedule R (Form 5500) 2010
v.092308.1

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, 2010 and 2009

Mutual Bank Employee Stock Ownership and 401(k) Plan

December 31, 2010 and 2009

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Independent Accountants' Report

Audit Committee, Retirement Plan Committee,
Plan Administrator and Plan Management
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, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedule. These financial statements and schedule 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, and notes receivable including interest thereon from participants, which was certified by Mid Atlantic Trust Company and First Bankers Trust Services, Inc., the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the trustees as of and for the years ended December 31, 2010 and 2009, 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustees 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.

As discussed in Note 12, the Plan changes its method of accounting for notes receivable from participants.

BKD, LLP

Indianapolis, Indiana
October 14, 2011

Federal Employer Identification Number: 44-0160260

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

Assets

	2010			2009 (As Adjusted - Note 12)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investments , at fair value						
<i>MutualFirst</i> Financial, Inc. common stock	\$ 3,889,175	\$ 886,792	\$ 4,775,967	\$ 2,400,357	\$ 760,285	\$ 3,160,642
Mutual funds	16,538,385	-	16,538,385	14,822,387	-	14,822,387
	<u>20,427,560</u>	<u>886,792</u>	<u>21,314,352</u>	<u>17,222,744</u>	<u>760,285</u>	<u>17,983,029</u>
 Receivables						
Employer contribution	17,402	-	17,402	-	-	-
Participant contribution	38,754	-	38,754	-	-	-
Notes receivable from participants	336,845	-	336,845	201,226	-	201,226
	<u>393,001</u>	<u>-</u>	<u>393,001</u>	<u>201,226</u>	<u>-</u>	<u>201,226</u>
 Total assets	<u>20,820,561</u>	<u>886,792</u>	<u>21,707,353</u>	<u>17,423,970</u>	<u>760,285</u>	<u>18,184,255</u>
 Liabilities						
Loan payable	-	1,271,318	1,271,318	-	1,645,164	1,645,164
Accrued dividends payable	-	21,598	21,598	-	21,058	21,058
Total liabilities	<u>-</u>	<u>1,292,916</u>	<u>1,292,916</u>	<u>-</u>	<u>1,666,222</u>	<u>1,666,222</u>
 Net Assets Available (Deficit) for Benefits	<u>\$ 20,820,561</u>	<u>\$ (406,124)</u>	<u>\$ 20,414,437</u>	<u>\$ 17,423,970</u>	<u>\$ (905,937)</u>	<u>\$ 16,518,033</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2010 and 2009

	2010			2009 (As Adjusted - Note 12)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions						
Investment Income (Loss)						
Net appreciation (depreciation) in fair value of investments	\$ 2,735,880	\$ 515,996	\$ 3,251,876	\$ 934,426	\$ (108,990)	\$ 825,436
Interest and dividends	393,568	32,452	426,020	298,615	47,676	346,291
Net investment income (loss)	3,129,448	548,448	3,677,896	1,233,041	(61,314)	1,171,727
Interest Income on Notes Receivable From Participants	13,125	-	13,125	1,857	-	1,857
Contributions						
Employer	553,088	373,846	926,934	721,461	412,165	1,133,626
Participants	1,196,348	-	1,196,348	609,329	-	609,329
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at fair value	295,593	-	295,593	190,069	-	190,069
Transfer in of assets	31,001	-	31,001	13,407,001	-	13,407,001
	2,076,030	373,846	2,449,876	14,927,860	412,165	15,340,025
Total additions	5,218,603	922,294	6,140,897	16,162,758	350,851	16,513,609
Deductions						
Benefits paid	1,776,921	21,598	1,798,519	678,466	21,058	699,524
Interest expense	-	105,290	105,290	-	127,777	127,777
Administrative expenses	45,091	-	45,091	3,302	-	3,302
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at fair value	-	295,593	295,593	-	190,069	190,069
Total deductions	1,822,012	422,481	2,244,493	681,768	338,904	1,020,672
Net Increase	3,396,591	499,813	3,896,404	15,480,990	11,947	15,492,937
Net Assets Available (Deficit) for Benefits, Beginning of Year	17,423,970	(905,937)	16,518,033	1,942,980	(917,884)	1,025,096
Net Assets Available (Deficit) for Benefits, End of Year	<u>\$ 20,820,561</u>	<u>\$ (406,124)</u>	<u>\$ 20,414,437</u>	<u>\$ 17,423,970</u>	<u>\$ (905,937)</u>	<u>\$ 16,518,033</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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, which are available from the Plan Administrator.

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 Retirement Plan Committee comprising up to five persons appointed by the Company's Board of Directors. First Bankers Trust Services, Inc. is the trustee for all Company 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 (See Note 8) guaranteed by 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. Shares vest fully upon allocation.

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 as of December 31, 2010 and 2009, and for the years then ended 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)

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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 safe harbor matching contributions will be determined annually by the Company's Board of Directors and will not exceed 100% of the participant's deferral on the first 6% of eligible compensation. The Company may contribute an additional annual discretionary matching contribution based upon existing employee salary deferrals.

Additionally, an annual Company discretionary profit-sharing contribution is also permitted for those participants who have worked greater than 1,000 hours during the Plan year and are employed on the last day of the Plan year. Employee rollover and catch-up contributions are also permitted under the 401(k) portion of the Plan.

In addition to salary reduction contributions, the Company may make contributions to the employee stock ownership (ESOP) portion of the Plan either in the form of cash or in Company stock.

Participation

Employees of the Company are generally eligible to participate in the 401(k) portion of the Plan after completing 30 days of service and attaining the age of 21 and entry is monthly

For the ESOP portion of the Plan, employees of the Company are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours during such Plan year and entry is January 1st and July 1st.

Participant Investment Account 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 all or a portion of their ESOP account by investing their account value in assets other than qualifying employer securities.

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer 3% of eligible compensation unless the participant made an affirmative election otherwise.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

Participant Accounts

Each participant's 401(k) 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.

Each participant's ESOP account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

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. Participants in the 401(k) portion of the Plan are immediately vested in all of their account balance except for the portion that relates to the Company discretionary profit-sharing contributions. This portion is 100% vested after three years of credited service. 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.

Forfeited Accounts

Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2010 and 2009, totaled \$562 and \$7,329, respectively. Forfeitures reallocated during 2010 and 2009 amounted to \$17,494 and \$0, respectively.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to the participant's beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries.

Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional share.

In-service withdrawals are available for certain portions of the 401(k) Plan as described by the Plan Document.

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.

Notes Receivable From Participants

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.

Notes receivable from participants are reported at the amortized principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan Document.

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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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.

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. 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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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, and the Plan has requested a new determination letter and is awaiting a response. 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 2007.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Reclassifications

Certain reclassifications have been made to the 2009 financial statement to conform to the 2010 financial statement presentation. These reclassifications had no effect on changes in net assets available for benefits.

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.

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:

	2010		2009 (As Adjusted - Note 12)	
	Allocated	Unallocated	Allocated	Unallocated
* <i>MutualFirst</i> Financial, Inc. common shares				
Number of shares	\$ 418,191	\$ 95,354	\$ 401,397	\$ 127,137
Cost	<u>3,829,280</u>	<u>929,154</u>	<u>3,672,273</u>	<u>1,238,482</u>
Fair value	3,889,175	886,792	2,400,357	760,285
Mutual funds	<u>16,538,385</u>	<u>-</u>	<u>14,822,387</u>	<u>-</u>
	<u>\$20,427,560</u>	<u>\$ 886,792</u>	<u>\$17,222,744</u>	<u>\$ 760,285</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Interest and dividends realized on the Plan's investments as of December 31, 2010 and 2009, were \$426,020 and \$346,291, respectively. Company stock was valued at \$9.30 and \$5.98 per share at December 31, 2010 and 2009, 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, 2010 and 2009:

	2010	2009
<i>MutualFirst</i> Financial, Inc. common stock	\$ 4,775,967	\$ 3,160,642
American Funds EuroPacific	*	982,609
American Funds Growth	-	1,194,109
Neuberger Berman Genesis	1,141,178	885,970
Vanguard Wellington	1,710,273	1,551,947
Vanguard Target Retirement 2015	2,047,128	1,424,028
Vanguard Target Retirement 2025	1,674,380	1,358,318
Vanguard Short-Term Bond Index	*	920,919
American Funds Money Market	*	998,943
Wells Fargo Advantage Growth Fund Administrator Class	1,227,737	-

*Balance at December 31, 2010 did not meet 5% threshold.

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	
	2010	2009
<i>MutualFirst</i> Financial, Inc. common shares	\$ 1,728,359	\$ (483,127)
Mutual funds	1,523,517	1,308,563
	<u>\$ 3,251,876</u>	<u>\$ 825,436</u>

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

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

- 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

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, 2010 and 2009.

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 or Level 3 at December 31, 2010 and 2009.

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, 2010.

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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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, 2010 and 2009:

2010				
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	\$ 4,775,967	\$ 4,775,967	\$ -	\$ -
Mutual funds				
Foreign funds	897,071	897,071	-	-
Intermediate Term funds	944,068	944,068	-	-
Large funds	2,675,940	2,675,940	-	-
Mid-Cap funds	573,534	573,534	-	-
Moderate Allocation funds	1,710,273	1,710,273	-	-
Target Retirement funds	5,550,029	5,550,029	-	-
Short Term Bond funds	825,164	825,164	-	-
Small funds	1,733,663	1,733,663	-	-
World Stock fund	723,545	723,545	-	-
Money market funds	905,098	905,098	-	-
	<u>\$ 21,314,352</u>	<u>\$ 21,314,352</u>	<u>\$ -</u>	<u>\$ -</u>

2009				
(As Adjusted - Note 12)				
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	-	-
	<u>\$ 17,983,029</u>	<u>\$ 17,983,029</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Realized and unrealized gains and losses included in net decrease in net assets available for benefits for the period from December 31, 2010 and 2009, are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

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	2010 Nonparticipant-Directed ESOP Funds	Total
Additions			
Investment income			
Net appreciation			
in fair value of investments	\$ 1,523,517	\$ 1,728,359	\$ 3,251,876
Interest and dividends	307,328	118,692	426,020
Interest income on notes receivable from participants	13,125	-	13,125
Employer contributions	553,088	373,846	926,934
Participant contributions	1,196,348	-	1,196,348
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	295,593	295,593
Transfer	31,001	-	31,001
Total additions	<u>3,624,407</u>	<u>2,516,490</u>	<u>6,140,897</u>
Deductions			
Benefits paid	1,611,204	187,315	1,798,519
Interest expense	-	105,290	105,290
Administrative expense	41,473	3,618	45,091
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	295,593	295,593
Total deductions	<u>1,652,677</u>	<u>591,816</u>	<u>2,244,493</u>
Net Increase	1,971,730	1,924,674	3,896,404
Net Assets Available for Benefits, Beginning of Year	<u>15,135,119</u>	<u>1,382,914</u>	<u>16,518,033</u>
Net Assets Available for Benefits, End of Year	<u>\$ 17,106,849</u>	<u>\$ 3,307,588</u>	<u>\$ 20,414,437</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

	2009 (As Adjusted - Note 12)		
	Participant-Directed Funds	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 and dividends	198,586	147,705	346,291
Interest income on notes receivable from participants	1,857	-	1,857
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	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>\$ 15,135,119</u>	<u>\$ 1,382,914</u>	<u>\$ 16,518,033</u>

Note 7: Reconciliation of Financial Statements to Form 5500

Differences between the 2010 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 2010 Form 5500.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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:

2011	\$ 397,772
2012	423,230
2013	450,316
	<hr/>
	\$ 1,271,318
	<hr/>

Interest expense for 2010 and 2009 was \$105,290 and \$127,777, 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.

The Plan invests in common stock of the Company and has a loan payable to the Company. Administrative fees paid to the trustee of \$45,091 and \$3,302 for 2010 and 2009, 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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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 protracted economic decline continues to present 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: Change in Accounting Principle

During 2010, the Plan adopted the provisions of ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. The ASU requires loans to participants to be reported as notes receivable from participants at unpaid principal plus accrued but unpaid interest, instead of being reported as a part of investments at fair value as they were under previous guidance.

The following financial statement line items for fiscal years 2010 and 2009 were affected by the change in accounting principle.

2010 Statement of Net Assets Available for Benefits			
	As Computed Under Previous Guidance	As Computed Under ASU 2010-25	Effect of Change
Investments - participant loans	\$ 336,845	\$ -	\$ (336,845)
Notes receivable from participants	-	336,845	336,845

2009 Statement of Net Assets Available for Benefits			
	As Previously Reported	As Adjusted	Effect of Change
Investments - participant loans	\$ 201,226	\$ -	\$ (201,226)
Notes receivable from participants	-	201,226	201,226

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

2010 Statement of Changes in Net Assets Available for Benefits			
	As Previously Reported	As Computed Under ASU 2010-25	Effect of Change
Interest and dividends	\$ 439,145	\$ 426,020	\$ (13,125)
Net investment income	3,691,021	3,677,896	(13,125)
Interest income on notes receivable from participants	-	13,125	13,125

2009 Statement of Changes in Net Assets Available for Benefits			
	As Previously Reported	As Adjusted	Effect of Change
Interest and dividends	\$ 348,148	\$ 346,291	\$ (1,857)
Net investment income	1,173,584	1,171,727	(1,857)
Interest income on notes receivable from participants	-	1,857	1,857

Net assets available for benefits were not affected by the adoption of the new guidance.

Note 13: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

The Company's stock constitutes approximately 22% of the Plan's assets. As such, the stock price was reviewed through the date of the Independent Accountants' Report and was noted to have decreased approximately 18%.

Supplemental Schedule

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, 2010

(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.	513,545 shares	\$ 4,758,434	\$ 4,775,967
Mutual Funds			
American Funds American Mutual	30829 shares	-	780,280
American Funds Capital World Growth and Income	20,250 shares	-	723,545
American Funds EuroPacific	21,716 shares	-	897,071
Wells Fargo Advantage Growth Fund Administrator Class	36,649 shares	-	1,227,737
Neuberger Berman Genesis	34,352 shares	-	1,141,178
Northern Mid Cap Index	47,954 shares	-	573,534
Vanguard Dividend Growth	46,448 shares	-	667,923
Vanguard Wellington	54,993 shares	-	1,710,273
Vanguard Total Bond Market Index	89,063 shares	-	944,068
Vanguard Target Retirement Income	37,157 shares	-	419,128
Vanguard Target Retirement 2015	164,825 shares	-	2,047,128
Vanguard Target Retirement 2025	132,677 shares	-	1,674,380
Vanguard Target Retirement 2035	57,137 shares	-	747,928
Vanguard Target Retirement 2045	48,997 shares	-	661,465
Vanguard Small Cap Growth Index	27,029 shares	-	592,485
Vanguard Short-Term Bond Index	78,215 shares	-	825,164
		-	15,633,287
Money Market Fund			
American Funds Money Market	846,081 shares	-	846,081
Federated Prime Management	59,017 shares	-	59,017
		-	905,098
*Participant Loans			
	4.25% - 8.25%	-	336,845
		\$ 4,758,434	\$ 21,651,197

*Party-in-interest

**Mutual Bank Employee Stock
Ownership and 401(k) Plan**

EIN 35-2085640 PN 003

Accountants' Report and Financial Statements
December 31, 2010 and 2009

Mutual Bank Employee Stock Ownership and 401(k) Plan

December 31, 2010 and 2009

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Independent Accountants' Report

Audit Committee, Retirement Plan Committee,
Plan Administrator and Plan Management
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, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended and the accompanying supplemental schedule. These financial statements and schedule 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, and notes receivable including interest thereon from participants, which was certified by Mid Atlantic Trust Company and First Bankers Trust Services, Inc., the trustees of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedule. We have been informed by the Plan Administrator that the trustees hold the Plan's investment assets and execute investment transactions. The Plan Administrator has obtained certifications from the trustees as of and for the years ended December 31, 2010 and 2009, 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 schedule taken as a whole. The form and content of the information included in the financial statements and schedule, other than that derived from the information certified by the trustees 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.

As discussed in Note 12, the Plan changes its method of accounting for notes receivable from participants.

BKD, LLP

Indianapolis, Indiana
October 14, 2011

Federal Employer Identification Number: 44-0160260

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2010 and 2009

Assets

	2010			2009 (As Adjusted - Note 12)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Investments , at fair value						
<i>MutualFirst</i> Financial, Inc. common stock	\$ 3,889,175	\$ 886,792	\$ 4,775,967	\$ 2,400,357	\$ 760,285	\$ 3,160,642
Mutual funds	16,538,385	-	16,538,385	14,822,387	-	14,822,387
	<u>20,427,560</u>	<u>886,792</u>	<u>21,314,352</u>	<u>17,222,744</u>	<u>760,285</u>	<u>17,983,029</u>
 Receivables						
Employer contribution	17,402	-	17,402	-	-	-
Participant contribution	38,754	-	38,754	-	-	-
Notes receivable from participants	336,845	-	336,845	201,226	-	201,226
	<u>393,001</u>	<u>-</u>	<u>393,001</u>	<u>201,226</u>	<u>-</u>	<u>201,226</u>
 Total assets	<u>20,820,561</u>	<u>886,792</u>	<u>21,707,353</u>	<u>17,423,970</u>	<u>760,285</u>	<u>18,184,255</u>
 Liabilities						
Loan payable	-	1,271,318	1,271,318	-	1,645,164	1,645,164
Accrued dividends payable	-	21,598	21,598	-	21,058	21,058
Total liabilities	<u>-</u>	<u>1,292,916</u>	<u>1,292,916</u>	<u>-</u>	<u>1,666,222</u>	<u>1,666,222</u>
 Net Assets Available (Deficit) for Benefits	<u>\$ 20,820,561</u>	<u>\$ (406,124)</u>	<u>\$ 20,414,437</u>	<u>\$ 17,423,970</u>	<u>\$ (905,937)</u>	<u>\$ 16,518,033</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2010 and 2009

	2010			2009 (As Adjusted - Note 12)		
	Allocated	Unallocated	Total	Allocated	Unallocated	Total
Additions						
Investment Income (Loss)						
Net appreciation (depreciation) in fair value of investments	\$ 2,735,880	\$ 515,996	\$ 3,251,876	\$ 934,426	\$ (108,990)	\$ 825,436
Interest and dividends	393,568	32,452	426,020	298,615	47,676	346,291
Net investment income (loss)	3,129,448	548,448	3,677,896	1,233,041	(61,314)	1,171,727
Interest Income on Notes Receivable From Participants	13,125	-	13,125	1,857	-	1,857
Contributions						
Employer	553,088	373,846	926,934	721,461	412,165	1,133,626
Participants	1,196,348	-	1,196,348	609,329	-	609,329
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at fair value	295,593	-	295,593	190,069	-	190,069
Transfer in of assets	31,001	-	31,001	13,407,001	-	13,407,001
	2,076,030	373,846	2,449,876	14,927,860	412,165	15,340,025
Total additions	5,218,603	922,294	6,140,897	16,162,758	350,851	16,513,609
Deductions						
Benefits paid	1,776,921	21,598	1,798,519	678,466	21,058	699,524
Interest expense	-	105,290	105,290	-	127,777	127,777
Administrative expenses	45,091	-	45,091	3,302	-	3,302
Allocation of 31,784 shares of <i>MutualFirst</i> Financial, Inc., at fair value	-	295,593	295,593	-	190,069	190,069
Total deductions	1,822,012	422,481	2,244,493	681,768	338,904	1,020,672
Net Increase	3,396,591	499,813	3,896,404	15,480,990	11,947	15,492,937
Net Assets Available (Deficit) for Benefits, Beginning of Year	17,423,970	(905,937)	16,518,033	1,942,980	(917,884)	1,025,096
Net Assets Available (Deficit) for Benefits, End of Year	<u>\$ 20,820,561</u>	<u>\$ (406,124)</u>	<u>\$ 20,414,437</u>	<u>\$ 17,423,970</u>	<u>\$ (905,937)</u>	<u>\$ 16,518,033</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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, which are available from the Plan Administrator.

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 Retirement Plan Committee comprising up to five persons appointed by the Company's Board of Directors. First Bankers Trust Services, Inc. is the trustee for all Company 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 (See Note 8) guaranteed by 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. Shares vest fully upon allocation.

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 as of December 31, 2010 and 2009, and for the years then ended 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)

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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 safe harbor matching contributions will be determined annually by the Company's Board of Directors and will not exceed 100% of the participant's deferral on the first 6% of eligible compensation. The Company may contribute an additional annual discretionary matching contribution based upon existing employee salary deferrals.

Additionally, an annual Company discretionary profit-sharing contribution is also permitted for those participants who have worked greater than 1,000 hours during the Plan year and are employed on the last day of the Plan year. Employee rollover and catch-up contributions are also permitted under the 401(k) portion of the Plan.

In addition to salary reduction contributions, the Company may make contributions to the employee stock ownership (ESOP) portion of the Plan either in the form of cash or in Company stock.

Participation

Employees of the Company are generally eligible to participate in the 401(k) portion of the Plan after completing 30 days of service and attaining the age of 21 and entry is monthly

For the ESOP portion of the Plan, employees of the Company are generally eligible to participate in the Plan after one year of service providing they worked at least 1,000 hours during such Plan year and entry is January 1st and July 1st.

Participant Investment Account 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 all or a portion of their ESOP account by investing their account value in assets other than qualifying employer securities.

The Plan Document also includes an automatic deferral feature whereby a participant is treated as electing to defer 3% of eligible compensation unless the participant made an affirmative election otherwise.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

Participant Accounts

Each participant's 401(k) 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.

Each participant's ESOP account is credited as of the last day of each Plan year with an allocation of shares of the Company's common stock released by the trustee from the unallocated account and forfeitures of terminated participants' nonvested accounts. Only those participants who are eligible employees of the Company as of the last day of the Plan year will receive an allocation. Allocations are based on a participant's eligible compensation, relative to total eligible compensation. Plan earnings are allocated to each participant's account based on the ratio of the participant's beginning of the year account balance to all participants' beginning of the year account balances.

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. Participants in the 401(k) portion of the Plan are immediately vested in all of their account balance except for the portion that relates to the Company discretionary profit-sharing contributions. This portion is 100% vested after three years of credited service. 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.

Forfeited Accounts

Plan forfeitures are allocated to each participant's account based upon the relation of the participant's compensation to total compensation for the Plan year. Forfeitures of terminated nonvested account balances allocated to remaining participants at December 31, 2010 and 2009, totaled \$562 and \$7,329, respectively. Forfeitures reallocated during 2010 and 2009 amounted to \$17,494 and \$0, respectively.

Put Option

Under federal income tax regulations, the employer stock that is held by the Plan and its participants and is not readily tradable on an established market or is subject to trading limitations includes a put option. The put option is a right to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay for the purchase with interest over a period of five years. The purpose of the put option is to ensure the participant has the ability to ultimately obtain cash.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

Payment of Benefits

No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to the participant's beneficiary or, if none, his or her legal representatives), or otherwise terminates employment with the Company and its participating subsidiaries.

Distributions are made in cash or, if a participant elects, in the form of Company common shares plus cash for any fractional share.

In-service withdrawals are available for certain portions of the 401(k) Plan as described by the Plan Document.

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.

Notes Receivable From Participants

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.

Notes receivable from participants are reported at the amortized principal balance plus accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan Document.

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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

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.

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. 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. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

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, and the Plan has requested a new determination letter and is awaiting a response. 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 2007.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Reclassifications

Certain reclassifications have been made to the 2009 financial statement to conform to the 2010 financial statement presentation. These reclassifications had no effect on changes in net assets available for benefits.

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.

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:

	2010		2009 (As Adjusted - Note 12)	
	Allocated	Unallocated	Allocated	Unallocated
* <i>MutualFirst</i> Financial, Inc. common shares				
Number of shares	\$ 418,191	\$ 95,354	\$ 401,397	\$ 127,137
Cost	<u>3,829,280</u>	<u>929,154</u>	<u>3,672,273</u>	<u>1,238,482</u>
Fair value	3,889,175	886,792	2,400,357	760,285
Mutual funds	<u>16,538,385</u>	<u>-</u>	<u>14,822,387</u>	<u>-</u>
	<u>\$20,427,560</u>	<u>\$ 886,792</u>	<u>\$17,222,744</u>	<u>\$ 760,285</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Interest and dividends realized on the Plan's investments as of December 31, 2010 and 2009, were \$426,020 and \$346,291, respectively. Company stock was valued at \$9.30 and \$5.98 per share at December 31, 2010 and 2009, 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, 2010 and 2009:

	2010	2009
<i>MutualFirst</i> Financial, Inc. common stock	\$ 4,775,967	\$ 3,160,642
American Funds EuroPacific	*	982,609
American Funds Growth	-	1,194,109
Neuberger Berman Genesis	1,141,178	885,970
Vanguard Wellington	1,710,273	1,551,947
Vanguard Target Retirement 2015	2,047,128	1,424,028
Vanguard Target Retirement 2025	1,674,380	1,358,318
Vanguard Short-Term Bond Index	*	920,919
American Funds Money Market	*	998,943
Wells Fargo Advantage Growth Fund Administrator Class	1,227,737	-

*Balance at December 31, 2010 did not meet 5% threshold.

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	
	2010	2009
<i>MutualFirst</i> Financial, Inc. common shares	\$ 1,728,359	\$ (483,127)
Mutual funds	1,523,517	1,308,563
	<u>\$ 3,251,876</u>	<u>\$ 825,436</u>

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

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2010 and 2009

- 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

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, 2010 and 2009.

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 or Level 3 at December 31, 2010 and 2009.

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, 2010.

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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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, 2010 and 2009:

2010				
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	\$ 4,775,967	\$ 4,775,967	\$ -	\$ -
Mutual funds				
Foreign funds	897,071	897,071	-	-
Intermediate Term funds	944,068	944,068	-	-
Large funds	2,675,940	2,675,940	-	-
Mid-Cap funds	573,534	573,534	-	-
Moderate Allocation funds	1,710,273	1,710,273	-	-
Target Retirement funds	5,550,029	5,550,029	-	-
Short Term Bond funds	825,164	825,164	-	-
Small funds	1,733,663	1,733,663	-	-
World Stock fund	723,545	723,545	-	-
Money market funds	905,098	905,098	-	-
	<u>\$ 21,314,352</u>	<u>\$ 21,314,352</u>	<u>\$ -</u>	<u>\$ -</u>

2009				
(As Adjusted - Note 12)				
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	-	-
	<u>\$ 17,983,029</u>	<u>\$ 17,983,029</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

Realized and unrealized gains and losses included in net decrease in net assets available for benefits for the period from December 31, 2010 and 2009, are reported in net appreciation (depreciation) in fair value of investments in the statements of changes in net assets available for benefits.

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	2010 Nonparticipant-Directed ESOP Funds	Total
Additions			
Investment income			
Net appreciation			
in fair value of investments	\$ 1,523,517	\$ 1,728,359	\$ 3,251,876
Interest and dividends	307,328	118,692	426,020
Interest income on notes receivable from participants	13,125	-	13,125
Employer contributions	553,088	373,846	926,934
Participant contributions	1,196,348	-	1,196,348
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	295,593	295,593
Transfer	31,001	-	31,001
Total additions	<u>3,624,407</u>	<u>2,516,490</u>	<u>6,140,897</u>
Deductions			
Benefits paid	1,611,204	187,315	1,798,519
Interest expense	-	105,290	105,290
Administrative expense	41,473	3,618	45,091
Allocation of <i>MutualFirst</i> Financial, Inc. shares	-	295,593	295,593
Total deductions	<u>1,652,677</u>	<u>591,816</u>	<u>2,244,493</u>
Net Increase	1,971,730	1,924,674	3,896,404
Net Assets Available for Benefits, Beginning of Year	<u>15,135,119</u>	<u>1,382,914</u>	<u>16,518,033</u>
Net Assets Available for Benefits, End of Year	<u>\$ 17,106,849</u>	<u>\$ 3,307,588</u>	<u>\$ 20,414,437</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

	2009 (As Adjusted - Note 12)		
	Participant-Directed Funds	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 and dividends	198,586	147,705	346,291
Interest income on notes receivable from participants	1,857	-	1,857
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	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>\$ 15,135,119</u>	<u>\$ 1,382,914</u>	<u>\$ 16,518,033</u>

Note 7: Reconciliation of Financial Statements to Form 5500

Differences between the 2010 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 2010 Form 5500.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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:

2011	\$ 397,772
2012	423,230
2013	450,316
	<hr/>
	\$ 1,271,318
	<hr/>

Interest expense for 2010 and 2009 was \$105,290 and \$127,777, 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.

The Plan invests in common stock of the Company and has a loan payable to the Company. Administrative fees paid to the trustee of \$45,091 and \$3,302 for 2010 and 2009, 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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

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 protracted economic decline continues to present 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: Change in Accounting Principle

During 2010, the Plan adopted the provisions of ASU 2010-25, *Reporting Loans to Participants by Defined Contribution Pension Plans*. The ASU requires loans to participants to be reported as notes receivable from participants at unpaid principal plus accrued but unpaid interest, instead of being reported as a part of investments at fair value as they were under previous guidance.

The following financial statement line items for fiscal years 2010 and 2009 were affected by the change in accounting principle.

2010 Statement of Net Assets Available for Benefits			
	As Computed Under Previous Guidance	As Computed Under ASU 2010-25	Effect of Change
Investments - participant loans	\$ 336,845	\$ -	\$ (336,845)
Notes receivable from participants	-	336,845	336,845

2009 Statement of Net Assets Available for Benefits			
	As Previously Reported	As Adjusted	Effect of Change
Investments - participant loans	\$ 201,226	\$ -	\$ (201,226)
Notes receivable from participants	-	201,226	201,226

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2010 and 2009

2010 Statement of Changes in Net Assets Available for Benefits			
	As Previously Reported	As Computed Under ASU 2010-25	Effect of Change
Interest and dividends	\$ 439,145	\$ 426,020	\$ (13,125)
Net investment income	3,691,021	3,677,896	(13,125)
Interest income on notes receivable from participants	-	13,125	13,125

2009 Statement of Changes in Net Assets Available for Benefits			
	As Previously Reported	As Adjusted	Effect of Change
Interest and dividends	\$ 348,148	\$ 346,291	\$ (1,857)
Net investment income	1,173,584	1,171,727	(1,857)
Interest income on notes receivable from participants	-	1,857	1,857

Net assets available for benefits were not affected by the adoption of the new guidance.

Note 13: Subsequent Events

Subsequent events have been evaluated through the date of the Independent Accountants' Report, which is the date the financial statements were available to be issued.

The Company's stock constitutes approximately 22% of the Plan's assets. As such, the stock price was reviewed through the date of the Independent Accountants' Report and was noted to have decreased approximately 18%.

Supplemental Schedule

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, 2010

(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.	513,545 shares	\$ 4,758,434	\$ 4,775,967
Mutual Funds			
American Funds American Mutual	30829 shares	-	780,280
American Funds Capital World Growth and Income	20,250 shares	-	723,545
American Funds EuroPacific	21,716 shares	-	897,071
Wells Fargo Advantage Growth Fund Administrator Class	36,649 shares	-	1,227,737
Neuberger Berman Genesis	34,352 shares	-	1,141,178
Northern Mid Cap Index	47,954 shares	-	573,534
Vanguard Dividend Growth	46,448 shares	-	667,923
Vanguard Wellington	54,993 shares	-	1,710,273
Vanguard Total Bond Market Index	89,063 shares	-	944,068
Vanguard Target Retirement Income	37,157 shares	-	419,128
Vanguard Target Retirement 2015	164,825 shares	-	2,047,128
Vanguard Target Retirement 2025	132,677 shares	-	1,674,380
Vanguard Target Retirement 2035	57,137 shares	-	747,928
Vanguard Target Retirement 2045	48,997 shares	-	661,465
Vanguard Small Cap Growth Index	27,029 shares	-	592,485
Vanguard Short-Term Bond Index	78,215 shares	-	825,164
		-	15,633,287
Money Market Fund			
American Funds Money Market	846,081 shares	-	846,081
Federated Prime Management	59,017 shares	-	59,017
		-	905,098
*Participant Loans			
	4.25% - 8.25%	-	336,845
		\$ 4,758,434	\$ 21,651,197

*Party-in-interest