

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), 6057(b), and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089
		2015
		This Form is Open to Public Inspection

Part I	Annual Report Identification Information
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); 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 (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) <u>MUTUALFIRST FINANCIAL, INC.</u> <u>110 EAST CHARLES STREET</u> <u>MUNCIE, IN 47305</u>	2b Employer Identification Number (EIN) <u>35-2085640</u> 2c Plan Sponsor's telephone number <u>765-747-2847</u> 2d Business code (see instructions) <u>551111</u>

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

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

SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2016	DOROTHY DOUGLASS
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/04/2016	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
Preparer's name (including firm name, if applicable) and address (include room or suite number)			Preparer's telephone number

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

Form 5500 (2015)
v. 150123

3a Plan administrator's name and address ☒ Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number <div style="background-color: #cccccc; height: 40px; width: 100%;"></div>
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
5 Total number of participants at the beginning of the plan year	5 602
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year.....	6a(1) 406
a(2) Total number of active participants at the end of the plan year	6a(2) 409
b Retired or separated participants receiving benefits.....	6b 16
c Other retired or separated participants entitled to future benefits.....	6c 153
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 578
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e 0
f Total. Add lines 6d and 6e	6f 578
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	6g 554
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	6h 22
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 Characteristics 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 Characteristics 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
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)

Part III	Form M-1 Compliance Information (to be completed by welfare benefit plans)
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11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service <hr/> Department of Labor Employee Benefits Security Administration <hr/> 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
		2015
		This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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	Service Provider Information (see instructions)
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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	
<u>WELLS FARGO ADVANTAGE GROWTH I</u>	<u>WELLS FARGO FUNDS TRUST</u> <u>525 MARKET STREET</u> <u>SAN FRANCISCO, CA 94163</u>

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

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

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

(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.

10765 LANTERN ROAD, SUITE 202
FISHERS, IN 46038

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	62338	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 ☐

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)

(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)

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) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	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 2015 This Form is Open to Public Inspection
For calendar plan year 2015 or fiscal plan year beginning <u>01/01/2015</u> and ending <u>12/31/2015</u>		
A Name of plan <u>MUTUAL BANK EMPLOYEE STOCK OWNERSHIP AND 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>MUTUALFIRST FINANCIAL, INC.</u>	D Employer Identification Number (EIN) <u>35-2085640</u>	

Part I	Asset and Liability Statement		(a) Beginning of Year	(b) End of Year
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	Total noninterest-bearing cash	1a		4732
b	Receivables (less allowance for doubtful accounts):			
	(1) Employer contributions	1b(1)	6399	10482
	(2) Participant contributions	1b(2)		
	(3) Other.....	1b(3)		
c	General investments:			
	(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)		
	(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)	457822	524807
	(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)	25181371	25916155
	(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)	9888571	10987341
(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	35534163	37443517

Liabilities

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

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	35534163	37443517
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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)	820273	
(B) Participants	2a(1)(B)	1273848	
(C) Others (including rollovers)	2a(1)(C)	450286	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		2544407

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

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(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)	21727	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		21727

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)	213305	
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	452596	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		665901

(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)		

(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-1350423	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		-1350423

		(a) Amount	(b) Total
(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)		961409
c Other income	2c		1017743
d Total income. Add all income amounts in column (b) and enter total	2d		3860764

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1889072	
(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)		1889072
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	62338	
(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)		62338
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1951410

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		1909354
l Transfers of assets:			
(1) To this plan	2l(1)		
(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 lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

	Yes	No	N/A	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.)		☒		
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.)		☒		

	Yes	No	N/A	Amount
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			5000000
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.				
o Did the plan trust incur unrelated business taxable income?				
p Were in-service distributions made during the plan year?				

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)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	6b Trust's EIN
6c Name of trustee or custodian	6d Trustee's or custodian's telephone number

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 2015 This Form is Open to Public Inspection.
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For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

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 (include any prior year accumulated funding deficiency not waived)	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 or other authority 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. 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) 2015
v. 150123

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 lines 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 lines 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 lines 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 lines 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 lines 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 lines 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 line 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
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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 lines (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 line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____

Part VII	IRS Compliance Questions
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20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A
22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____. (See instructions for tax law changes and codes).		
22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter ____/____/____ and the letter's serial number _____.		
22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter ____/____/____.		
23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

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

EIN 35-2085640 PN 003

Independent Auditor's Report and Financial Statements
December 31, 2015 and 2014

Mutual Bank Employee Stock Ownership and 401(k) Plan

December 31, 2015 and 2014

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Independent Auditor's Report

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

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Mutual Bank Employee Stock Ownership and 401(k) Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting our audits in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

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, any auditing procedures with respect to the information summarized in Note 4, which was certified by Mid Atlantic Trust Company and First Bankers Trust Services, Inc., the custodian and trustee, respectively, of the Plan, except for comparing such information with the related information included in the financial statements. We have been informed by the Plan Administrator that the custodian and trustee holds the Plan's investment assets and executes investment transactions. The Plan Administrator has obtained certifications from the custodian and trustee as of and for the years ended December 31, 2015 and 2014, that the information provided to the Plan Administrator by the custodian and trustee is complete and accurate to the best of their knowledge.

Disclaimer of Opinion

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

Other Matter

The supplemental schedule listed in the table of contents is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974* and is presented for the purpose of additional analysis and is not a required part of the financial statements. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* paragraph, we do not express an opinion on this supplemental schedule.

Report on Form and Content in Compliance With DOL Rules and Regulations

The form and content of the information included in the financial statements and supplemental schedule, other than that derived from the information certified by the custodian and trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the *Employee Retirement Income Security Act of 1974*.

BKD, LLP

Indianapolis, Indiana
September 26, 2016

Federal Employer Identification Number: 44-0160260

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Net Assets Available for Benefits

December 31, 2015 and 2014

	2015	2014
Assets		
Investments , at fair value		
<i>MutualFirst</i> Financial, Inc. common stock	\$ 10,987,341	\$ 9,888,571
Mutual funds	25,916,155	25,181,371
Total investments	<u>36,903,496</u>	<u>35,069,942</u>
Receivables		
Employer contribution	10,482	6,399
Notes receivable from participants	524,807	457,822
Total receivables	<u>535,289</u>	<u>464,221</u>
Cash , noninterest-bearing	<u>4,732</u>	<u>-</u>
Net Assets Available for Benefits	<u>\$ 37,443,517</u>	<u>\$ 35,534,163</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Additions		
Investment Income		
Net appreciation in fair value of investments	\$ 628,729	\$ 3,151,815
Interest and dividends	<u>665,901</u>	<u>548,640</u>
Net investment income	<u>1,294,630</u>	<u>3,700,455</u>
Interest Income on Notes Receivable From Participants	<u>21,727</u>	<u>16,369</u>
Contributions		
Employer	820,273	750,852
Participants	1,273,848	1,160,638
Rollovers	441,901	18,899
Other	<u>8,385</u>	<u>6,365</u>
Total contributions	<u>2,544,407</u>	<u>1,936,754</u>
Total additions	<u>3,860,764</u>	<u>5,653,578</u>
Deductions		
Benefits paid	1,889,072	2,246,010
Administrative expenses	<u>62,338</u>	<u>62,668</u>
Total deductions	<u>1,951,410</u>	<u>2,308,678</u>
Net Increase	1,909,354	3,344,900
Net Assets Available for Benefits, Beginning of Year	<u>35,534,163</u>	<u>32,189,263</u>
Net Assets Available for Benefits, End of Year	<u><u>\$ 37,443,517</u></u>	<u><u>\$ 35,534,163</u></u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2015 and 2014

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 custodian for all other assets of the Plan.

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 was 100% of the participant's deferral on the first 3% of eligible compensation plus 50% of the next 2% of eligible compensation in 2013 and 100% of the participant's deferral on the first 4% of eligible compensation plus 50% of the next 2% of eligible compensation in 2014. 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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2015 and 2014

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. Effective for the 2014 Plan year, the automatic deferral shall be automatically increased as of each January 1st (starting January 1, 2015) by 1%, up to a maximum automatic deferral of the lesser of 6% of eligible compensation or the maximum deferral allowable by IRS limitations.

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 eligible participant's account based on the ratio of the participant's beginning of the year account balance to all eligible participants' beginning of the year account balances.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2015 and 2014

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. At December 31, 2015 and 2014, there was no remaining balance for forfeited nonvested accounts. Forfeitures reallocated during 2015 and 2014 amounted to \$24,558 and \$34,564, respectively.

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.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2015 and 2014

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.

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 net assets and changes in net assets 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. Notes receivable from participants 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 includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements

December 31, 2015 and 2014

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 September 20, 2013, 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 determination letter expires on January 31, 2016. The Plan has been amended since receiving the determination letter. However, the Plan Administrator believes that the Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code.

Note 3: Administration of ESOP Plan Assets

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

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

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

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

Note 4: Certification of Plan Custodian and Trustee

The Company has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Mid Atlantic Trust Company and First Bankers Trust Services, Inc., the custodian and trustee of the Plan, respectively, have certified the following information included in the accompanying financial statements and supplemental schedule is complete and accurate:

- Investments and notes receivable from participants as shown in the statements of net assets available for benefits and related disclosures as of December 31, 2015 and 2014
- Investment income and interest income from notes receivable from participants as shown in the statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014
- Investment information included in the accompanying schedule of assets (held at year end) as of December 31, 2015

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements and supplemental schedule.

Note 5: 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:

	2015	2014
<i>*MutualFirst</i> Financial, Inc. common shares		
Number of shares	442,917	451,946
Cost	<u>\$ 4,458,945</u>	<u>\$ 4,474,058</u>
Fair value	\$ 10,987,341	\$ 9,888,571
Mutual and money market funds	<u>25,916,155</u>	<u>25,181,371</u>
	<u>\$ 36,903,496</u>	<u>\$ 35,069,942</u>

*Party-in-interest

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

Interest and dividends realized on the Plan's investments as of December 31, 2015 and 2014, were \$665,901 and \$548,640, respectively. Company stock was valued at \$24.80 and \$21.88 per share at December 31, 2015 and 2014, 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, 2015 and 2014:

	2015	2014
<i>MutualFirst</i> Financial, Inc. common stock	\$ 10,987,341	\$ 9,888,571
Wells Fargo Advantage Growth Fund Admin Class Fund	2,197,376	2,010,210
Vanguard Wellington Fund	2,640,210	2,719,676
Vanguard Target Retirement 2015 Fund	3,321,663	2,710,560
Vanguard Target Retirement 2025 Fund	3,467,702	3,313,427
Vanguard Target Retirement 2035 Fund	1,958,345	*

*Balance at respective date 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	
	2015	2014
<i>MutualFirst</i> Financial, Inc. common shares	\$ 1,113,883	\$ 1,806,420
Mutual funds	(485,154)	1,345,395
	<u>\$ 628,729</u>	<u>\$ 3,151,815</u>

Note 6: Disclosures About Fair Value of Plan Assets

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

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

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

Recurring Measurements

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, 2015 and 2014:

		2015		
		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, banking industry	\$ 10,987,341	\$ 10,987,341	\$ -	\$ -
Mutual funds				
Foreign funds	1,004,790	1,004,790	-	-
Intermediate Term funds	844,522	844,522	-	-
Large funds	4,849,399	4,849,399	-	-
Mid-Cap funds	1,654,716	1,654,716	-	-
Moderate Allocation funds	2,640,210	2,640,210	-	-
Target Retirement funds	10,927,342	10,927,342	-	-
Short-Term Bond funds	680,911	680,911	-	-
Small funds	870,927	870,927	-	-
Diversified Emerging Markets funds	94,724	94,724	-	-
Inflation-Protected funds	32,246	32,246	-	-
World Stock fund	1,072,431	1,072,431	-	-
Other funds	311,416	311,416	-	-
Money market funds	932,521	932,521	-	-
	<u>\$ 36,903,496</u>	<u>\$ 36,903,496</u>	<u>\$ -</u>	<u>\$ -</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

	Fair Value	2014 Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Common stock, banking industry	\$ 9,888,571	\$ 9,888,571	\$ -	\$ -
Mutual funds				
Foreign funds	1,043,729	1,043,729	-	-
Intermediate Term funds	865,980	865,980	-	-
Large funds	4,893,898	4,893,898	-	-
Mid-Cap funds	622,032	622,032	-	-
Moderate Allocation funds	2,719,676	2,719,676	-	-
Target Retirement funds	9,598,410	9,598,410	-	-
Short-Term Bond funds	729,155	729,155	-	-
Small funds	1,750,577	1,750,577	-	-
Diversified Emerging Markets funds	88,627	88,627	-	-
Inflation-Protected funds	14,458	14,458	-	-
World Stock fund	1,130,990	1,130,990	-	-
Other funds	364,871	364,871	-	-
Money market funds	1,358,968	1,358,968	-	-
	<u>\$ 35,069,942</u>	<u>\$ 35,069,942</u>	<u>\$ -</u>	<u>\$ -</u>

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. There have been no significant changes in the valuation techniques during the year ended December 31, 2015. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis.

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, 2015 and 2014.

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

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, 2015.

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.

Note 7: 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	2015 Nonparticipant-Directed ESOP Funds	Total
Additions			
Investment income			
Net appreciation (depreciation)			
in fair value of investments	\$ (564,555)	\$ 1,193,284	\$ 628,729
Interest and dividends	464,617	201,284	665,901
Interest income on notes receivable			
from participants	21,727	-	21,727
Employer contributions	820,273	-	820,273
Participant contributions	1,273,848	-	1,273,848
Rollover contribution	441,901	-	441,901
Other	8,385	-	8,385
Total additions	<u>2,466,196</u>	<u>1,394,568</u>	<u>3,860,764</u>
Deductions			
Benefits paid	1,563,260	325,812	1,889,072
Administrative expense	49,876	12,462	62,338
Total deductions	<u>1,613,136</u>	<u>338,274</u>	<u>1,951,410</u>
Net Increase	853,060	1,056,294	1,909,354
Net Assets Available for Benefits, Beginning of Year	<u>26,097,750</u>	<u>9,436,413</u>	<u>35,534,163</u>
Net Assets Available for Benefits, End of Year	<u>\$ 26,950,810</u>	<u>\$ 10,492,707</u>	<u>\$ 37,443,517</u>

Mutual Bank Employee Stock Ownership and 401(k) Plan

Notes to Financial Statements December 31, 2015 and 2014

	Participant- Directed Funds	2014 Nonparticipant- Directed ESOP Funds	Total
Additions			
Investment income			
Net appreciation			
in fair value of investments	\$ 1,095,127	\$ 2,056,688	\$ 3,151,815
Interest and dividends	410,898	137,742	548,640
Interest income on notes receivable			
from participants	16,369	-	16,369
Employer contributions	750,852	-	750,852
Participant contributions	1,160,638	-	1,160,638
Rollover contributions	18,899	-	18,899
Other	6,365	-	6,365
Total additions	<u>3,459,148</u>	<u>2,194,430</u>	<u>5,653,578</u>
Deductions			
Benefits paid	1,822,306	423,704	2,246,010
Administrative expense	51,821	10,847	62,668
Total deductions	<u>1,874,127</u>	<u>434,551</u>	<u>2,308,678</u>
Net Increase	1,585,021	1,759,879	3,344,900
Net Assets Available for Benefits, Beginning of Year	<u>24,512,729</u>	<u>7,676,534</u>	<u>32,189,263</u>
Net Assets Available for Benefits, End of Year	<u>\$ 26,097,750</u>	<u>\$ 9,436,413</u>	<u>\$ 35,534,163</u>

Note 8: 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 trustees of \$62,338 and \$62,668 for 2015 and 2014, respectively, were paid by the Plan. 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, 2015 and 2014

Note 9: Risks and Uncertainties

The Plan invests in Company common stock which constitutes approximately 30% and 28% of the Plan's investments at December 31, 2015 and 2014, respectively, which are 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.

Note 10: Subsequent Events

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

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, 2015

(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.	442,917 shares	\$ 4,458,945	\$ 10,987,341
Mutual Funds			
American Funds American Mutual Fund	30,967 shares	**	1,048,217
American Funds Capital World Growth and Income Fund	24,739 shares	**	1,072,431
American Funds EuroPacific Fund	22,171 shares	**	1,004,790
JPMorgan Mid Cap Growth Fun Class R6	38,330 shares	**	1,062,883
Wells Fargo Advantage Growth Fund Admin Class Fund	50,031 shares	**	2,197,376
Northern Mid Cap Index Fund	37,481 shares	**	591,833
Nuveen Real Estate Securities Fund	8,677 shares	**	199,313
Oppenheimer Developing Markets Fund	3,158 shares	**	94,724
Prudential Jennison Natural Resources Fund	3,851 shares	**	112,103
Vanguard Inflation-Protected Securities Fund	2,511 shares	**	32,246
Vanguard Dividend Growth Fund	71,503 shares	**	1,603,806
Vanguard Wellington Fund	71,764 shares	**	2,640,210
Vanguard Total Bond Market Index Fund	79,372 shares	**	844,522
Vanguard Target Retirement Income Fund	44,824 shares	**	558,059
Vanguard Target Retirement 2015 Fund	233,427 shares	**	3,321,663
Vanguard Target Retirement 2025 Fund	222,004 shares	**	3,467,702
Vanguard Target Retirement 2035 Fund	116,291 shares	**	1,958,345
Vanguard Target Retirement 2045 Fund	91,202 shares	**	1,621,573
Vanguard Small Cap Growth Index Fund	25,481 shares	**	870,927
Vanguard Short-Term Bond Index Fund	65,284 shares	**	680,911
		-	24,983,634
Money Market Funds			
Federated Prime Value Obligation Fund	880,303 shares	**	880,303
Federated Prime Management Fund	49,210 shares	**	49,210
Bank Deposit Sweep Program	3,008 shares	**	3,008
		-	932,521
	Various maturity dates through November 2024; interest rate is		
*Notes Receivable From Participants	4.25%	-	524,807
		\$ 4,458,945	\$ 37,428,303

*Party-in-interest

**Cost not required to be disclosed for these investments given they are fully participant-directed.

The Schedule of Reportable Transactions required to be filed for Mutual Bank Employee Stock Ownership and 401(k) Plan as Part IV – Question 4i is included in the Accountant’s Opinion Attachment.