

Rurban Financial Corp.'s 2009 second quarter earnings were \$1.00 million compared to 2008 second quarter earnings of \$1.36 million. There were a number of one-time items in the current quarter which, once adjusted, made the core earnings for the two periods virtually identical. Rurban's Board of Directors subsequently approved a quarterly dividend of \$0.09 per share payable on August 21, 2009 to shareholders of record on August 7, 2009.

The State Bank and Trust Company reported earnings of \$1.05 million in the second quarter of 2009, compared to \$1.22 million in the second quarter of 2008. The Bank's loan growth continued during the quarter, resulting in an annualized increase in net loans of 6.6 percent. The Bank's mortgage banking production was exceptional as production for the first two quarters of 2009 totaled \$144.5 million, up sharply from the \$30 million in loan production for the first two quarters of 2008. During the quarter, we completed the integration of the Williams County banking centers acquired through the National Bank of Montpelier acquisition, which resulted in the closing of two banking centers. We are aggressively managing our interest rate margin improving it to 4.04 percent for the quarter, which is well above our peer group. Earnings are encouraging despite the challenges the Bank and the banking industry in general continue to face relative to problem assets.

To address our problem assets, we increased our reserve for loan losses by an additional \$500 thousand over the \$300 thousand quarterly budgeted amount. Although the banking industry continues to be plagued by asset quality issues, we have been encouraged because for five straight months we have experienced declining loan delinquencies with delinquencies now at 2.49 percent. During the quarter, we had an additional expense of \$300 thousand due to a special FDIC assessment which was imposed on all FDIC-insured depository institutions. This was offset by a \$424 gain on sale from our investment portfolio.

The gain on sale resulted from our repositioning of the balance sheet as we continue to aggressively manage our assets and liabilities. We are working to shorten our asset life and lengthen our funding through longer-term alternative funding to shift the balance sheet toward being more asset sensitive. While this approach will

somewhat reduce earnings growth in the short-term, we believe this strategy will provide for a strong margin as we enter the next rate cycle.

RDSI Banking Systems, our data and item processing segment, reported second quarter 2009 net income at \$608 thousand, compared to \$640 thousand reported for the prior-year second quarter, with three new client bank conversions. RDSI clients total 117 banking organizations. RDSI provided Data Processing services to 76 clients and Item Processing services to a total of 92 clients as of the end of the quarter.

During the second quarter, RDSI announced a partnership with New Core Banking Systems. New Core has created a new banking processing system, Single Source™, which we believe will substantially change the way banks do their data processing in the future. We are offering all our banking clients the option to convert to Single Source™, and we will be winding down our offering of Fiserv's Premier products by the end of 2010. RDSI's emphasis until then will be on providing Single Source™ installation expertise and converting our client banks. In connection with this partnership, we have begun the planning process to spin-off RDSI as an independent company, as previously announced.

We are excited about the prospects for both the Bank and RDSI during the current difficult economic conditions. We are encouraged with the financial results and we will continue to focus on growth and profitability for Rurban Financial Corp. and its shareholders. There is much more detail relative to our progress and changes in our other presentations, such as our July 15, 2009 quarterly earnings release. We encourage you to visit our website www.rurbanfinancial.net to keep informed of the latest news and strategies of your Company.

Sincerely,



Kenneth A. Joyce
President and CEO

INVESTOR MATERIALS

Annual and quarterly shareholder reports, regulatory filings, press releases, and articles about Rurban Financial Corp., which have appeared in various publications, are available on our website at www.rurbanfinancial.net or may be obtained from Valda Colbart, Investor Relations Officer, via e-mail at rfcinv@rurban.net or by calling 1-800-273-5820.

DIVIDEND REINVESTMENT AND STOCK PURCHASE PLAN

Rurban offers its shareholders convenient, economical and powerful investment techniques to increase their investment in RBNF common stock. These plans provide a method of investing cash dividends and voluntary cash payments in additional shares of common stock without payment of brokerage commissions or service charges. Individuals who wish to purchase RBNF stock for the first time may also participate in this plan. For additional information about the plan and prospectus, please contact Registrar and Transfer Company at 1-800-368-5948, or www.rtc.com or Valda Colbart, Rurban Financial Corp., at 1-800-273-5820 or rfcinv@rurban.net.

FORWARD-LOOKING STATEMENTS

Certain statements within this document, which are not statements of historical fact, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties and actual results may differ materially from those predicted by the forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties inherent in the national and regional banking, insurance and mortgage industries, competitive factors specific to markets in which Rurban and its subsidiaries operate, future interest rate levels, legislative and regulatory actions, capital market conditions, general economic conditions, geopolitical events, the loss of key personnel and other factors.

Forward-looking statements speak only as of the date on which they are made, and Rurban undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, except as required by law. All subsequent written and oral forward-looking statements attributable to Rurban or any person acting on our behalf are qualified by these cautionary statements.



GROWTH AND PROFITABILITY: OUR STRATEGY

SHAREHOLDER LETTER &
FINANCIAL HIGHLIGHTS



JUNE 2009 | 2ND QUARTER



RURBAN FINANCIAL CORP.
CONSOLIDATED BALANCE SHEETS
June 30, 2009 and December 31, 2008 and June 30, 2008

	June 2009 (Unaudited)	December 2008	June 2008 (Unaudited)
ASSETS			
Cash and due from banks	\$ 25,617,514	\$ 18,059,532	\$ 11,876,639
Federal funds sold	-	10,000,000	-
Cash and cash equivalents	25,617,514	28,059,532	11,876,639
Available-for-sale securities	109,988,049	102,606,475	96,706,231
Loans held for sale	13,310,045	3,824,499	2,644,049
Loans, net of unearned income	441,217,413	450,111,653	404,434,895
Allowance for loan losses	(5,873,146)	(5,020,197)	(4,246,794)
Premises and equipment, net	16,636,308	17,621,262	15,128,647
Purchased software	5,567,099	5,867,395	4,656,742
Federal Reserve and Federal Home Loan Bank Stock	3,748,250	4,244,100	4,105,000
Foreclosed assets held for sale, net	1,346,449	1,384,335	1,479,561
Accrued interest receivable	2,512,786	2,964,663	2,757,523
Goodwill	21,414,790	21,414,790	13,940,618
Core deposits and other intangibles	5,392,114	5,835,936	4,788,465
Cash value of life insurance	12,845,586	12,625,015	12,393,478
Other assets	7,821,698	6,079,451	5,847,772
Total assets	\$ 661,544,955	\$ 657,618,909	\$ 576,512,826
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits			
Non interest bearing demand	\$ 52,755,779	\$ 52,242,626	\$ 41,419,072
Interest bearing NOW	77,890,648	73,123,095	57,503,181
Savings	37,978,225	34,313,586	24,980,849
Money Market	84,810,835	82,025,074	71,656,108
Time Deposits	219,558,052	242,516,203	206,998,707
Total deposits	472,993,539	484,220,584	402,557,917
Notes payable	2,563,687	1,000,000	-
Advances from Federal Home Loan Bank	40,466,373	36,846,854	37,808,264
Fed Funds Purchased	10,000,000	-	3,600,000
Repurchase Agreements	42,703,632	43,425,978	44,509,511
Trust preferred securities	20,620,000	20,620,000	20,620,000
Accrued interest payable	1,750,093	1,965,842	2,158,948
Other liabilities	7,034,918	8,077,647	5,896,457
Total liabilities	598,132,242	595,956,905	517,151,097
Shareholders' Equity			
Common stock	12,568,583	12,568,583	12,568,583
Additional paid-in capital	15,102,913	15,042,781	14,964,795
Retained earnings	37,015,166	35,785,317	33,916,713
Accumulated other comprehensive income (loss)	478,565	(121,657)	(761,502)
Treasury stock	(1,752,514)	(1,613,020)	(1,326,860)
Total shareholders' equity	63,412,713	61,662,004	59,361,729
Total liabilities and shareholders' equity	\$ 661,544,955	\$ 657,618,909	\$ 576,512,826



RURBAN FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF INCOME - UNAUDITED

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Interest income				
Loans				
Taxable	\$ 6,855,627	\$ 7,023,308	\$ 13,670,260	\$ 13,831,504
Tax-exempt	25,390	20,469	50,847	41,819
Securities				
Taxable	1,134,573	1,090,570	2,214,070	2,130,464
Tax-exempt	244,331	165,798	472,215	324,165
Other	29,745	15,380	29,877	112,789
Total interest income	8,289,666	8,315,525	16,437,269	16,440,741
Interest expense				
Deposits	1,657,345	2,623,590	3,555,649	5,715,492
Other borrowings	33,411	9,483	47,803	26,989
Retail Repurchase Agreements	431,336	450,763	858,823	911,315
Federal Home Loan Bank advances	411,556	377,146	804,128	679,482
Trust preferred securities	394,629	422,385	793,614	858,089
Total interest expense	2,926,277	3,883,367	6,060,017	8,191,367
Net interest income	5,361,389	4,432,158	10,377,252	8,249,374
Provision for loan losses	798,850	212,997	1,293,992	405,215
Net interest income after provision for loan losses	4,562,539	4,219,161	9,083,260	7,844,159
Non-interest income				
Data service fees	4,956,034	4,948,783	9,928,583	10,213,348
Trust fees	641,033	815,734	1,224,656	1,670,841
Customer service fees	649,003	612,825	1,223,702	1,199,032
Net gain on sales of loans	938,345	183,145	2,016,392	457,748
Net realized gain on sales of securities	423,784	-	477,591	-
Net proceeds from VISA IPO	-	-	-	132,106
Investment securities recoveries	-	-	-	197,487
Loan servicing fees	103,863	55,220	171,736	118,160
Gain (loss) on sale of assets	16,241	(390)	(42,414)	(71,422)
Other income	169,488	185,841	345,050	399,371
Total non-interest income	7,897,791	6,801,158	15,345,296	14,316,671
Non-interest expense				
Salaries and employee benefits	5,298,604	4,435,657	10,222,726	8,874,421
Net occupancy expense	911,719	511,179	1,584,120	1,077,195
Equipment expense	1,698,905	1,625,708	3,312,298	3,193,345
Data processing fees	208,726	104,792	344,462	201,359
Professional fees	642,988	284,536	1,141,043	855,223
Marketing expense	234,557	156,090	423,303	337,837
Printing and office supplies	117,335	119,686	331,877	305,738
Telephone and communication	399,835	421,858	806,228	843,787
Postage and delivery expense	514,490	535,813	1,123,512	1,138,447
State, local and other taxes	233,157	186,418	466,053	367,186
Employee expense	257,204	303,372	517,142	533,983
Other expenses	590,537	425,237	1,310,317	983,185
Total non-interest expense	11,108,057	9,110,346	21,583,081	18,711,706
Income before income tax expense	1,352,273	1,909,973	2,845,475	3,449,124
Income tax expense	348,687	554,149	738,336	983,944
Net income	\$ 1,003,586	\$ 1,355,824	\$ 2,107,139	\$ 2,465,180
Earnings per common share:				
Basic	\$ 0.20	\$ 0.28	\$ 0.43	\$ 0.50
Diluted	\$ 0.20	\$ 0.28	\$ 0.43	\$ 0.50



YOUR DIVIDEND

Your Dividend has been paid based upon \$0.09 per share.

Based upon your previous instructions, you will find enclosed either a check for your dividend, a deposit receipt, or a statement showing your dividend being reinvested into Rurban Financial Corp. stock. Should you wish to change this election, please see the "Dividend Reinvestment and Stock Purchase Plan" section of this brochure.

STOCK PERFORMANCE - NASDAQ

Current Quarter Ending	Trade Price High	Trade Price Low	Closing Price	Div. Paid
06/30/09	\$8.75	\$7.52	\$7.75	\$0.09
03/31/09	\$8.61	\$7.34	\$7.90	\$0.09
12/31/08	\$9.50	\$7.54	\$7.60	\$0.09
09/30/08	\$10.24	\$7.72	\$9.00	\$0.09
06/30/08	\$10.96	\$9.52	\$9.52	\$0.08

QUARTERLY STOCK PERFORMANCE

April 2008 - June 2009

