

Rurban Financial Corp.'s fourth quarter earnings reflect the impact of the economic downturn, as the Company reported a loss of \$1.88 million in comparison to 2008 fourth quarter earnings of \$1.33 million. The primary factors contributing to this change in earnings were the build-up in loan loss reserves (\$3.41 million more than the year-ago quarter), an increase in FDIC insurance expense of \$542 thousand over the prior-year quarter, a \$1.15 million mortgage fraud loss, and the extraordinary expenses incurred due to the planned spin-off of RDSI. Rurban reported 2009 earnings of \$382 thousand versus 2008 earnings of \$5.22 million. The reasons for this decline in earnings are parallel to the reasons for the loss in the fourth quarter.

As a result of consideration of these factors, and in an effort to preserve capital, Rurban's Board of Directors approved the suspension of shareholder dividends during their January 20, 2010 board meeting. The Board will reassess the economic recovery and impact to Rurban on an ongoing quarterly basis in anticipation of resuming shareholder dividends at a future point in time.

The State Bank and Trust Company reported a net loss of \$577 thousand in the fourth quarter of 2009 resulting in year-to-date net income for the Banking Segment of \$2.05 million. As previously discussed, the earnings shortfall was the result of an unusually high loan loss provision of \$5.74 million which includes a \$1.15 million expense for a mortgage fraud incident, and increased FDIC insurance expense.

Positive trends hidden amidst these results were continued commercial loan growth of \$17.2 million, and organic core deposit growth of \$32.7 million. Core deposits now represent 55.9 percent of total deposits compared to 49.9 percent at year-end 2008. Both of these factors helped to produce a high stable net interest margin of 4 percent at the Bank level. The mortgage banking business line continues to grow, with residential real estate loan production at \$238 million for the year, compared to \$38 million for 2008. To improve the future profit of State Bank, an expense reduction program was begun in the fourth

quarter of 2009 which targets \$1.2 million in annual, pre-tax savings.

RDSI reported 2009 fiscal year net income of \$875 thousand, compared to \$2.82 million reported for the 2008 fiscal year. Significantly affecting our 2009 results were the extraordinary expenses incurred due to the contemplated spin-off of this business segment. RDSI's planned merger with New Core Banking Systems will position RDSI for 2010, as well as the years to come. It can be expected that 2010 will be a very challenging year for RDSI from an earnings perspective; however, the excitement in the market for this new core product, Single Source™, continues to grow. The one-year anniversary of the first Single Source™ software installation has passed, and the banking site utilizing this software remains confident in its use, feeling their needs are being met by this new processing package.

We are preparing for the contemplated spin-off of RDSI, and a key part of this transition was the appointment of Mark A. Klein as President and CEO of Rurban Financial Corp. Kenneth A. Joyce is assisting in this transition as Executive Vice Chairman of Rurban through the RDSI spin-off date, and then he will become the full-time CEO of RDSI.

We ended 2009 with a focused determination to weather the economic storm in the best interests of our shareholders. Please visit our website at www.rurbanfinancial.net to read more about these events, as there is much more detail relative to our progress we'd like to share with you about your Company.

Sincerely,



Kenneth A. Joyce
Executive Vice
Chairman
Rurban Financial Corp.



Mark A. Klein
President and
Chief Executive Officer
Rurban Financial Corp.

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 rcinv@rurban.net or by calling 1-800-273-5820.

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.

ADDITIONAL INFORMATION

RDSI filed an initial Form 10 Registration Statement with the SEC on December 31, 2009. The Form 10 Registration Statement, including the information statement/proxy statement filed as Exhibit 99.1 thereto, contains important information about Rurban, RDSI, New Core and the contemplated spin-off of RDSI from Rurban and the merger of RDSI and New Core. WE URGE INVESTORS AND RURBAN AND NEW CORE SHAREHOLDERS TO READ CAREFULLY THE FORM 10 REGISTRATION STATEMENT, THE INFORMATION STATEMENT/PROXY STATEMENT INCLUDED AS EXHIBIT 99.1 THERETO, AND ANY AND ALL OTHER DOCUMENTS FILED BY RDSI WITH THE SEC, INCLUDING ANY AMENDMENTS OR SUPPLEMENTS ALSO FILED WITH THE SEC. NEW CORE SHAREHOLDERS IN PARTICULAR SHOULD READ THE INFORMATION STATEMENT/PROXY STATEMENT CAREFULLY BEFORE MAKING A DECISION CONCERNING THE MERGER TRANSACTION. Investors and shareholders may obtain a free copy of the Form 10 Registration Statement and the information statement/proxy statement — along with other filings containing information about Rurban, RDSI, New Core and the contemplated spin-off of RDSI from Rurban and the merger of RDSI and New Core — at the SEC's website at <http://www.sec.gov>. Copies of the Form 10 Registration Statement, including the information statement/proxy statement and any other exhibits and filings with the SEC incorporated by reference in such document, can also be obtained free of charge by directing a request to Rurban Financial Corp., 401 Clinton Street, Defiance, Ohio 43512; Attention: Ms. Valda Colbart, Investor Relations Officer; Telephone: (419) 784-2759.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor shall there be any sale of securities in any jurisdiction in which the offer, solicitation, or sale is unlawful before registration or qualification of the securities under the securities laws of the jurisdiction. No offer of securities shall be made except by means of a prospectus satisfying the requirements of Section 10 of the Securities Act of 1933, as amended.

GROWTH AND PROFITABILITY: OUR STRATEGY

SHAREHOLDER LETTER & FINANCIAL HIGHLIGHTS



DECEMBER 2009 | 4TH QUARTER

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

	December 2009 (Unaudited)	December 2008
ASSETS		
Cash and due from banks	\$ 24,824,785	\$ 18,059,532
Federal funds sold	-	10,000,000
Cash and cash equivalents	24,824,785	28,059,532
Available-for-sale securities	105,083,112	102,606,475
Loans held for sale	16,857,648	3,824,499
Loans, net of unearned income	452,557,581	450,111,653
Allowance for loan losses	(7,030,178)	(5,020,197)
Premises and equipment, net	16,993,640	17,621,262
Purchased software	5,338,319	5,867,395
Federal Reserve and Federal Home Loan Bank Stock	3,748,250	4,244,100
Foreclosed assets held for sale, net	1,767,953	1,384,335
Accrued interest receivable	2,324,868	2,964,663
Goodwill	21,414,790	21,414,790
Core deposits and other intangibles	4,977,513	5,835,936
Cash value of life insurance	12,792,045	12,625,015
Other assets	11,398,776	6,079,451
Total assets	\$ 673,049,102	\$ 657,618,909
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits		
Non interest bearing demand	\$ 57,229,795	\$ 52,242,626
Interest bearing NOW	87,511,973	73,123,095
Savings	43,321,364	34,563,566
Money Market	86,621,953	82,025,074
Time Deposits	216,557,067	242,266,223
Total deposits	491,242,152	484,220,584
Notes payable	2,146,776	1,000,000
Advances from Federal Home Loan Bank	35,266,510	36,646,854
Fed Funds Purchased	5,000,000	-
Repurchase Agreements	47,042,820	43,425,978
Trust preferred securities	20,620,000	20,620,000
Accrued interest payable	1,507,521	1,965,842
Other liabilities	8,515,668	8,077,647
Total liabilities	611,341,447	595,956,905
Shareholders' Equity		
Common stock	12,568,583	12,568,583
Additional paid-in capital	15,186,042	15,042,781
Retained earnings	34,415,316	35,785,317
Accumulated other comprehensive income (loss)	1,307,025	(121,657)
Treasury stock	(1,769,311)	(1,613,020)
Total shareholders' equity	61,707,655	61,662,004
Total liabilities and shareholders' equity	\$ 673,049,102	\$ 657,618,909

RBNF RBNF RBNF RBNF RBNF RBNF

RURBAN FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF OPERATION - UNAUDITED

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Interest income				
Loans				
Taxable	\$ 6,717,690	\$ 6,905,698	\$ 27,272,465	\$ 27,473,302
Tax-exempt	19,503	20,934	91,294	84,878
Securities				
Taxable	923,990	1,023,333	4,082,639	4,289,728
Tax-exempt	296,259	252,488	1,063,190	686,458
Other	10,064	3,655	81,562	134,079
Total interest income	7,967,506	8,206,108	32,591,150	32,668,445
Interest expense				
Deposits	1,410,563	2,092,363	6,525,942	10,066,325
Other borrowings	43,395	9,216	134,943	53,008
Retail Repurchase Agreements	437,426	444,563	1,733,668	1,821,330
Federal Home Loan Bank advances	403,213	411,937	1,624,700	1,508,115
Trust preferred securities	388,272	418,017	1,573,293	1,691,792
Total interest expense	2,682,869	3,376,096	11,592,546	15,140,570
Net interest income	5,284,637	4,830,012	20,998,604	17,527,875
Provision for loan losses	3,546,056	138,179	5,738,098	689,567
Net interest income after provision for loan losses	1,738,581	4,691,833	15,260,506	16,838,308
Non-interest income				
Data service fees	4,124,759	5,004,376	18,859,701	20,165,451
Trust fees	639,640	630,331	2,508,723	3,081,898
Customer service fees	684,241	591,053	2,607,985	2,416,093
Net gain on sales of loans	616,028	150,238	3,354,654	740,985
Net realized gain on sales of securities	482,729	-	960,320	-
Net proceeds from VISA IPO	-	-	-	132,106
Investment securities recoveries	-	-	-	197,487
Loan servicing fees	145,308	59,579	443,309	235,095
Gain (loss) on sale of assets	(39,342)	96,124	(134,732)	247,517
Other income	520,716	223,653	995,126	844,105
Total non-interest income	7,174,079	6,755,354	29,595,086	28,060,737
Non-interest expense				
Salaries and employee benefits	5,389,940	4,204,104	21,034,671	17,318,103
Net occupancy expense	1,113,436	567,120	3,450,088	2,170,616
Equipment expense	2,109,715	1,562,031	7,463,352	6,308,564
Data processing fees	114,094	105,741	609,876	427,251
Professional fees	1,045,149	514,314	2,891,607	1,859,447
Marketing expense	202,130	246,770	857,727	831,727
Printing and office supplies	165,713	132,862	601,626	554,267
Telephone and communication	409,176	427,927	1,622,077	1,686,834
Postage and delivery expense	444,426	515,129	2,079,463	2,165,098
State, local and other taxes	23,426	382,670	724,546	985,503
Employee expense	340,662	277,730	1,151,438	1,084,028
Other expenses	738,426	629,611	2,647,018	2,165,175
Total non-interest expense	12,096,293	9,566,009	45,133,489	37,556,613
Income (loss) before income tax expense	(3,183,633)	1,881,178	(277,897)	7,342,432
Income tax expense (benefit)	(1,299,303)	553,159	(660,388)	2,125,193
Net income (loss)	\$ (1,884,330)	\$ 1,328,019	\$ 382,491	\$ 5,217,239
Earnings (loss) per common share:				
Basic	\$ (0.39)	\$ 0.27	\$ 0.07	\$ 1.06
Diluted	\$ (0.39)	\$ 0.27	\$ 0.07	\$ 1.06



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.rtco.com or Valda Colbart, Rurban Financial Corp., at 1-800-273-5820 or rfinv@rurban.net.

STOCK PERFORMANCE - NASDAQ

Current Quarter Ending	Trade Price High	Trade Price Low	Closing Price	Div. Paid
12/31/09	\$8.94	\$6.38	\$6.84	\$0.00
09/30/09	\$8.10	\$7.00	\$7.58	\$0.09
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

QUARTERLY STOCK PERFORMANCE

October 2008 - December 2009

