

## OFFICERS AND DIRECTORS

### Directors

Steven D. VanDemark, Chairman of the Board  
General Manager  
The Defiance Publishing Company

Thomas A. Buis  
Independent Consultant  
Retired Insurance Agent

Thomas M. Callan  
President  
Defiance Stamping Company

John R. Compo  
President  
Compo Corporation

John Fahl  
Retired  
Cooper Tire & Rubber Company

Robert A. Fawcett, Jr.  
Fawcett, Lammon, Recker and Associates  
Ins. Agency Inc.

Richard L. Hardgrove  
Retired  
Sky Bank

Eric C. Hench  
Chairman  
Chief Executive Officer  
Chief Supermarkets, Inc.

Kenneth A. Joyce  
President  
Chief Executive Officer  
Rurban Financial Corp.

Rita A. Kissner  
Retired  
Mayor of Defiance

J. Michael Walz, D.D.S.  
Defiance Dental Group

### Officers

#### Rurban Financial Corp.

Kenneth A. Joyce  
President  
Chief Executive Officer

James E. Adams  
Executive Vice President  
Chief Financial Officer

Gregory W. Klear  
Senior Vice President  
Auditor

#### The State Bank and Trust Company

Robert W. Constien  
President  
Chief Executive Officer

Henry R. Thiemann  
Executive Vice President  
Chief Operating Officer

David A. Anderson  
Regional President  
Lima/Allen County Market

Dean J. Miller  
Executive Vice President  
Senior Lender

Douglas L. Tussing  
Senior Vice President  
Retail Banking Manager

#### RFCBC, Inc.

Henry R. Thiemann  
President  
Chief Executive Officer

#### RDSI Banking Systems

Kenneth A. Joyce  
Chairman  
Chief Executive Officer

Kurt A. Kratzer  
President

John D. Weimerskirk  
Chief Operating Officer

Jon A. Brenneman  
Executive Vice President  
Marketing and Sales Manager

James M. Bremer  
Executive Vice President  
Information Services Manager

#### Reliance Financial Services, N.A.

Robert W. Constien  
Chairman

Jeffrey D. Sewell  
President  
Chief Executive Officer

David A. Bell  
Executive Vice President  
Trust Support Manager

#### Investor Relations

Valda L. Colbart  
Investor Relations

March 31, 2005

SHAREHOLDER LETTER AND  
FINANCIAL HIGHLIGHTS

#### ADDITIONAL INFORMATION

Rurban will be filing a Registration Statement on SEC Form S-4 and Rurban and Exchange Bancshares, Inc. will file a joint proxy statement/prospectus and other relevant documents concerning the proposed merger transaction with the SEC. Investors and shareholders are urged to read the Registration Statement and the joint proxy statement/prospectus carefully when they become available.

## DEAR SHAREHOLDERS, INVESTORS, CUSTOMERS AND EMPLOYEES

Our earnings continue to improve on a comparable quarter basis. We earned \$638.5 thousand this quarter, or \$0.14 per diluted share, compared with \$612.0 thousand or \$0.13 per diluted share for the first quarter of 2004. On April 20, 2005, the board of directors declared a \$0.05 per share dividend for holders of Rurban stock with a record date of May 6, 2005. This is our second consecutive dividend payment this year, reflecting a continuation of our recovery and the re-emergence of Rurban Financial Corp. as a significant financial organization in Northwest Ohio.

We have had a number of exciting developments at Rurban since the last quarterly shareholder letter. We were given approval to pay our first dividend on February 2, and on February 17, we were released from our Written Agreement. We are now able to focus on growing our business, and we are already beginning to see the results.

Loan growth began to pick up toward the end of the first quarter led by an improvement in the local economy, the beginning of the spring growing season, and the enhanced efforts of our calling officers. Our net interest margin continues to strengthen; improving by 19 basis points from the year-ago quarter from the combined impact of rising interest rates and our continued improvement in asset quality. This past quarter, we reduced our classified loans by an additional \$3.1 million. They now stand at \$22.5 million compared with \$41.6 million a year ago.

We have a very strong capital base, well in excess of the regulatory requirements for being "well-capitalized" at both the holding company and banking levels. As we have discussed with you in the past, we view this capital war chest as an opportunity to grow our franchise and enhance shareholder value.

We have already begun to deploy our capital and expand our franchise into attractive markets in Northwest Ohio. We recently announced two agreements, the first to acquire two branches in Lima, Ohio and the second to acquire The Exchange Bank, a community bank with five branches in the Toledo market area. We are now in the process of obtaining regulatory approval for the Lima branch purchase.

This transaction should close in June, 2005, and we expect it to be accretive to earnings in 2006. We have named David Anderson as Regional President for the new Lima Region. David, a resident of the Lima market, joined us in April and we are confident of his ability to substantially grow that market over the coming years.

The second transaction we recently announced is the acquisition of Exchange Bancshares, the holding company for The Exchange Bank, with \$91 million in assets as of December 31, 2004. We plan to operate The Exchange Bank as an independent community bank, the second in our Rurban family. We are excited about this acquisition; it gives us access to the large, growing markets of Toledo and its suburbs of Sylvania, Holland, and Perrysburg. We believe that this acquisition, which should close in the third quarter, will be accretive in 2006.

We continue to experience strong growth from our two non-banking subsidiaries. Net income improved by 4.5% for Reliance Financial Services, our trust company subsidiary. RDSI, our data processing company, continues to grow its revenue and net income. Revenue for the quarter was up 9.8% from the comparable quarter last year. Revenue growth was aided this quarter by termination fees from several banks that were merged and left the system. Future quarters will benefit from the addition of six new banks to data processing or item processing contracts this quarter. The revenue impact of these new contracts will begin in late 2005. RDSI is moving to a new building during April that will improve its ability to operate efficiently; however, the added expense associated with this move will limit profit growth near-term.

We are optimistic about the future of Rurban. We are a stronger, more experienced organization with an exciting growth period ahead of us. We look forward to sharing our progress with you in future shareholder letters.

Sincerely,



Kenneth A. Joyce  
President and CEO

## RURBAN FINANCIAL CORP. FINANCIAL HIGHLIGHTS

Three Months  
Ended  
March 31, 2005

Three Months  
Ended  
March 31, 2004

### INCOME STATEMENT DATA (IN THOUSANDS)

Net interest income	\$2,997	\$2,984
Non-interest income	\$4,411	\$4,335
Non-interest expense	\$6,520	\$6,289
Net income	\$638	\$612
Weighted avg. shares outstanding	4,568	4,555

### COMMON PER SHARE DATA

Earnings per share	\$0.14	\$0.13
Period-end book value	\$10.90	\$10.79

### END OF PERIOD BALANCE SHEET DATA (IN THOUSANDS)

Total assets	\$414,480	\$421,751
Loans, net of unearned income	\$266,046	\$269,316
Deposits	\$284,917	\$307,727

### STOCK PERFORMANCE

Quarter Ending	Trade Price		Closing Price
	High	Low	
03/31/05	\$14.49	\$13.50	\$14.15
12/31/04	\$14.25	\$12.57	\$13.90
09/30/04	\$13.15	\$11.90	\$12.88
06/30/04	\$15.15	\$11.25	\$12.28
03/31/04	\$15.54	\$13.32	\$15.15

### INVESTOR MATERIALS

Annual and quarterly shareholder reports, regulatory filings, press releases, and articles about Rurban Financial Corp., which have appeared in various publications, are generally available in the "Investor Relations" sections of our Web Site [www.rurbanfinancial.net](http://www.rurbanfinancial.net) or may be obtained from Valda Colbart via e-mail at [rfcinv@rurban.net](mailto: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:

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Cranford, New Jersey 07016-3572  
1-800-368-5948  
[www.rtco.com](http://www.rtco.com)

or

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