



2015

ANNUAL REPORT

LEADER IN COMMERCIAL LENDING SINCE 1997

CONSOLIDATED FINANCIAL SUMMARY

YEAR (\$ in Thousands)	2011	2012	2013	2014	2015
Revenues	\$62,227	\$70,921	\$83,675	\$88,761	\$89,762
Net Income	\$6,175	\$11,697	\$16,231	\$19,350	\$15,966
Net Investment in Leases and Loans	\$387,840	\$503,017	\$597,075	\$629,507	\$682,432
Total Assets	\$485,969	\$602,348	\$702,207	\$758,449	\$772,984
Deposits	\$198,579	\$378,188	\$503,038	\$550,119	\$587,940
Total Stockholders' Equity	\$164,101	\$174,250	\$163,038	\$173,964	\$150,138
Total Originations (Leases and Loans)	\$229,014	\$322,198	\$349,461	\$334,835	\$381,071
Total Number of New Leases and Loans Originated	18,102	24,557	25,712	24,228	25,307
Net Interest and Fee Margin	12.59%	13.42%	13.42%	12.72%	11.98%
Net Charge-Offs	1.81%	1.11%	1.41%	1.50%	1.59%

REGULATORY CAPITAL RATIOS:

Tier 1 Leverage Capital	33.74%	29.35%	23.46%	23.43%	19.63%
Common Equity Tier 1 Risk-based Capital ⁽¹⁾					20.86%
Tier 1 Risk-based Capital	37.94%	31.76%	25.90%	26.14%	20.86%
Total Risk-based Capital	39.19%	32.95%	27.15%	27.39%	22.02%

(1) Common Equity Tier 1 Risk-based Capital became effective on January 1, 2015.

TO OUR VALUED SHAREHOLDERS:

2015 was a year of changes, challenges, and opportunities for Marlin. Our net income was \$16.0 million or \$1.25 per diluted share. On an adjusted basis, excluding one-time costs associated with the retirement of our CEO and departure of our CFO, net income was \$18.3 million or \$1.44 per diluted share. We grew our new business originations 14% and delivered an 8% increase in net investment in leases and loans. We also demonstrated our ability to carefully manage capital by repurchasing stock and distributing a \$2.00 per share special dividend. There were several factors that put pressure on earnings in 2015, some of which were external, and others that were strategically planned and implemented to position the company to achieve new milestones in the future.

First, the operating environment for our small and mid-size business lending platform continued to be tested by increased competition and the prolonged period of low interest rates. This drove yields on new lease originations lower than the yields on leases which are coming to term and running off of our portfolio. In order to continue overall revenue growth, new originations are being priced to current market conditions, which has resulted in lower interest income revenue and net interest margin compression. We will continue to make strategic pricing decisions to preserve customer relationships and prudently grow Marlin's balance sheet. To address the current market conditions, we developed and implemented a long-term strategy of diversifying our product offering.

Second, we opened several new business channels, increased the size of our sales force, and began offering a working capital loan product. Based on extensive research, we added both sales and credit resources to focus on the Franchise and Transportation commercial finance markets. In both cases, the profile of the customers, ticket size, and credit quality provide attractive risk-adjusted return opportunities. We hired experienced talent and have high confidence that these new business channels will be substantial contributors in the future. Our working capital loan product, Funding Stream, was successfully launched in Q1 of 2015, as we saw an opportunity to solve our small business customers' need for capital to expand their businesses. Our Funding Stream product offers short-term capital, primarily to our existing leasing customers, using a very convenient application process. Our new website, fundingstream.com, is a state-of-the-art portal that enables customers to apply for a loan in minutes.

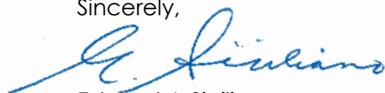
Lastly, we initiated a new syndication strategy that we believe will generate additional fee income across all business channels, thereby maximizing the use of our capital and increasing liquidity. We are confident that these strategic investments will result in future earnings growth and increased shareholder returns.

We remain confident that Marlin's unique funding platform, via our wholly owned subsidiary, Marlin Business Bank, will continue to give us a significant competitive advantage in our industry. Our balance sheet will remain well-capitalized, and we will continue to efficiently deploy capital, as demonstrated in the last half of 2015, in ways that best serve the interests of Marlin's shareholders.

We are strongly aligned to our new plan, and Marlin's employees are unified and committed to achieving our future goals. While we remain excited about our position in the market and our dynamic growth prospects, there are several disciplines that will never change at Marlin. Our focus on maintaining underwriting discipline to ensure solid credit results remains our top priority. We will also always focus on providing the best customer service in the industry.

Marlin remains one of the pre-eminent commercial lending platforms in the United States. We are well-respected in our industry and poised to reach new levels of success. We serve a large, diversified customer base and are excited about our future growth opportunities, due in large part to the dedicated and talented employees who work hard each day to serve our customers. On behalf of everyone at Marlin, I thank you for your continued support.

Sincerely,



Edward J. Siciliano
Interim Chief Executive Officer and Chief Sales Officer

ABOUT MARLIN

Marlin Business Services Corp.[®] is a nationwide provider of commercial lending solutions for businesses of any size. Our equipment financing and loan products are offered directly to businesses, and through third party vendor programs, which includes manufacturers, distributors, independent dealers and brokers. Since its inception in 1997, Marlin has extended credit to over two hundred seventy-five thousand business customers. Our mission is to offer convenient financing products while providing the highest level of personalized customer service.

SENIOR CORPORATE OFFICERS

EDWARD J. SICILIANO
*Executive Vice President
Interim Chief Executive Officer
and Chief Sales Officer*

EDWARD R. DIETZ, JR.
*Senior Vice President of
Administration and
General Counsel*

W. TAYLOR KAMP
*Senior Vice President
Chief Financial Officer*

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Chairman

JOHN J. CALAMARI

SCOTT HEIMES

MATTHEW J. SULLIVAN

J. CHRISTOPHER TEETS

JAMES W. WERT

CORPORATE OFFICES

300 Fellowship Road
Mt. Laurel, NJ 08054
P. (888)479-9111
F. (888)479-1100

1500 John F. Kennedy Blvd.
Suite 330
Philadelphia, PA 19102

SOUTHEASTERN OFFICE
6470 East Johns Crossing
Suite 430
Johns Creek, GA 30097

NORTHEASTERN OFFICE
155 Fleet Street
Suite 322
Portsmouth, NH 03801

MARLIN BUSINESS BANK
2795 E. Cottonwood Pkwy.
Suite 120
Salt Lake City, UT 84121

www.MARLINCORP.com