

# 2014 ANNUAL REPORT



LEADING LENDER TO  
SMALL BUSINESSES SINCE 1997

## CONSOLIDATED FINANCIAL SUMMARY

YEAR (\$ in Thousands)	2010	2011	2012	2013	2014
Revenues	\$66,738	\$62,227	\$70,921	\$83,675	\$88,761
Net Income	\$5,668	\$6,175	\$11,697	\$16,231	\$19,350
Net Income – Adjusted <sup>(1)</sup>	\$5,738	\$6,207	\$11,701	\$16,232	\$19,350
Net Investment in Leases and Loans	\$351,569	\$387,840	\$503,017	\$597,075	\$629,507
Total Assets	\$468,062	\$485,969	\$602,348	\$702,207	\$758,449
Deposits <sup>(2)</sup>	\$92,919	\$198,579	\$378,188	\$503,038	\$550,119
Total Stockholders' Equity	\$160,003	\$164,101	\$174,250	\$163,038	\$173,964
Total Originations (Leases and Loans)	\$134,030	\$229,014	\$322,198	\$349,461	\$334,835
Total Number of New Leases and Loans Originated	12,407	18,102	24,557	25,712	24,228
Net Interest and Fee Margin	11.75%	12.59%	13.42%	13.42%	12.72%
Net Charge-Offs <sup>(3)</sup>	3.58%	1.81%	1.11%	1.41%	1.50%
REGULATORY CAPITAL RATIOS:					
Tier 1 Leverage Capital	34.87%	33.74%	29.35%	23.46%	23.43%
Tier 1 Risk-based Capital	39.58%	37.94%	31.76%	25.90%	26.14%
Total Risk-based Capital	40.84%	39.19%	32.95%	27.15%	27.39%

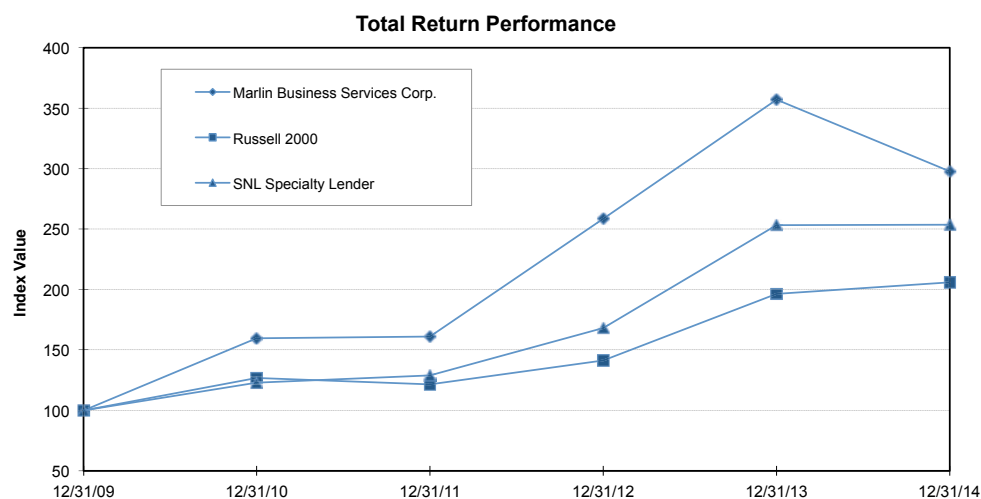
(1) Net Income - Adjusted represents net income excluding the loss on derivatives and hedging activities, net of tax, and is provided to evaluate the Company's core business performance without such activities. The Company believes that Net Income - Adjusted is a useful performance metric for management, investors and lenders because it excludes the volatility resulting from derivatives activities subsequent to discontinuing hedge accounting in mid-2008.

(2) FDIC insured deposits.

(3) As a percentage of average total finance receivables.

## ABOUT MARLIN

Marlin Business Services Corp.<sup>®</sup> is a nationwide provider of commercial lending solutions for small and mid-size businesses. 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 a quarter of a million business customers. Our mission is to offer convenient financing products while providing the highest level of personalized customer service.



## SENIOR CORPORATE OFFICERS

DANIEL P. DYER  
*Co-Founder  
Chief Executive Officer*

LYNNE C. WILSON  
*Senior Vice President  
Chief Financial Officer*

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

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

## BOARD OF DIRECTORS

LAWRENCE J. DEANGELO  
*Chairman*

JOHN J. CALAMARI

DANIEL P. DYER

SCOTT HEIMES

MATTHEW J. SULLIVAN

J. CHRISTOPHER TEETS

JAMES W. WERT

## TO OUR SHAREHOLDERS:

### 2014

2014 capped a year of solid financial performance. For the year, the company delivered 19% year-over-year profit growth by originating high quality earning assets while continuing to adhere to our disciplined operating approach and effective credit risk management philosophy. Market conditions and the unparalleled level of excess liquidity continued in 2014, influencing the competitive environment and its impact on asset growth and yield.

For the year, we reported net income of \$19.4 million and \$1.49 per diluted share, an increase from the \$1.25 per diluted share earned in 2013. Our strong financial performance provided the flexibility to return excess capital to shareholders through cash dividends. In 2014, in connection with our efforts to prudently manage capital, the company's dividend program delivered regular dividends per share of \$0.47 versus 2013's \$0.42 regular dividend per share and a \$2.00 one-time special dividend per share. For the year, return on equity grew to 11.5%, compared to 9.3% for 2013.

### Future Outlook

The company is well-positioned for long-term success by expanding our core lending franchise. Going forward, our market focus is to continue to grow our highly profitable small-ticket lease business. Additionally, our unique operational capabilities and sizable customer base provide us an attractive opportunity to expand our products and service offerings tailored to the small business market. Funding Stream, our recently launched short-term working capital loan offer, seeks to capitalize on Marlin's strengths by providing customers responsive access to credit while adhering to a disciplined operating approach. Our bank depository, Marlin Business Bank, will continue to be an instrumental component to our future by providing the business access to stable, attractively priced deposit funding and by providing a trusted financing source to the small business community we serve.

Our core value proposition remains centered on Marlin's tradition of serving customers in a personalized, convenient and flexible fashion with a differentiated level of service. In combination with offering an expanded selection of credit products to customers, our aspiration is for Marlin to emerge as a premium provider to small businesses when it comes to them choosing a lending partner to help them grow and succeed.

Of course, our own success will continue to be led through the efforts and dedication of all our employees who work tirelessly to deliver on our mission of serving customers.

On behalf of all our employees, I wish to thank you for your continued support.



Daniel P. Dyer  
Co-Founder & Chief Executive Officer



[www.MARLINCORP.com](http://www.MARLINCORP.com)

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