

2010
STRENGTH • STABILITY • SERVICE



ANNUAL
REPORT

CONSOLIDATED FINANCIAL SUMMARY

YEAR (\$ in Thousands)	2006	2007	2008	2009	2010
Revenues	\$102,930	\$118,434	\$115,597	\$90,299	\$66,738
Net Income (Loss)	\$18,318	\$18,000	(\$5,230)	\$1,036	\$5,668
Net Income – Adjusted ⁽¹⁾	\$18,318	\$18,000	\$4,474	\$2,221	\$5,738
Net Investment in Leases and Loans	\$693,003	\$764,553	\$669,109	\$448,610	\$351,569
Total Assets	\$794,544	\$958,269	\$794,431	\$565,803	\$468,062
Deposits ⁽²⁾			\$63,835	\$80,288	\$92,919
Total Stockholders' Equity ⁽³⁾	\$137,391	\$152,961	\$150,272	\$151,885	\$160,003
Total Originations (Leases and Loans)	\$388,661	\$390,766	\$256,554	\$88,935	\$134,030
Total Number of New Leases and Loans Originated	34,214	33,141	24,869	9,763	12,407
Net Interest and Fee Margin	11.59%	10.42%	9.86%	10.05%	11.75%
Net Charge-Offs ⁽⁴⁾	1.56%	2.00%	3.80%	5.42%	3.58%
REGULATORY CAPITAL RATIOS: ⁽⁵⁾					
Tier 1 Leverage Capital				24.89%	34.87%
Tier 1 Risk-based Capital				30.19%	39.58%
Total Risk-based Capital				31.45%	40.84%

(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) Information has been updated to reflect the restatement discussed in Note 20 of the Notes to Consolidated Financial Statements in the enclosed Form 10-K. The impact of the restatement decreased net deferred income tax liability and increased retained earnings by \$3.6 million as of December 31, 2006, 2007, 2008 and 2009.

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

(5) Effective in 2009 upon conversion to bank holding company status.

SENIOR CORPORATE OFFICERS

DANIEL P. DYER
Co-Founder
Chief Executive Officer

GEORGE D. PELOSE
Executive Vice President
Chief Operating Officer,
General Counsel & Secretary

LYNNE C. WILSON
Senior Vice President
Chief Financial Officer

EDWARD J. SICILIANO
Senior Vice President
Chief Sales Officer

PHILIP A. BRUNO
Senior Vice President
Chief Marketing Officer

KERRI O'CONNOR
Senior Vice President
Chief Risk Officer

BOARD OF DIRECTORS

KEVIN J. MCGINTY – Chairman

JOHN J. CALAMARI

LAWRENCE J. DEANGELO

DANIEL P. DYER

EDWARD GRZEDZINSKI

MATTHEW J. SULLIVAN

J. CHRISTOPHER TEETS

JAMES W. WERT

To Our Shareholders:

After enduring and navigating through several years of severe market and economic uncertainty, I'm pleased to report significant progress in 2010. The Company dramatically lowered credit losses, grew lease originations, invested for future growth and improved profits.

In 2010, we redirected our efforts and took major steps to expand our market presence and capitalize on the untapped opportunity to grow our core business - serving the financing needs of small business. Over the past year we were heavily committed to expanding the size of the sales force. Additionally, we launched our National Accounts and Healthcare groups aimed at serving the manufacturer and value-added reseller segments. We're excited about the momentum of 2010 and confident that the investments made will re-establish the Company's historical positioning of consistent asset and profit growth.

While a lot of time was dedicated to rebuilding the sales capabilities of the organization, we also made meaningful strides to strengthen other aspects of our business critically important to supporting and enhancing the business's growth and profitability. One initiative is the Company's transition to a bank operating model, pairing Marlin's historically strong asset and credit platform with the distinct advantage a bank depository offers to lower borrowing rates and strengthen the liquidity profile of the organization. Marlin Business Bank is well-capitalized, profitable and in the future will grow in significance, funding a greater percentage of the consolidated balance sheet. Marlin's market-leading asset origination and servicing platform combined with the advantages of a banking franchise, we believe, gives us an unrivaled source of competitive strength to better serve the needs of customers.

The past few years reminded us of the primary role credit management has to protect against unforeseen downside risks during turbulent times and contributing to stable, consistent asset quality performance. This time last year I reported on management's actions to address credit trends, and I'm pleased to report 2010 was a meaningful year of progress. We ended 2010 with credit default levels 54% lower than 2009, with the average default rate on average portfolio outstandings declining to 3.58% from 5.42% in 2009. Asset quality trends are in terrific shape, and the Company's disciplined credit culture will serve us well in the future.

With an abundance of capital and liquidity and very strong balance sheet capital ratios, the business is in an enviable position. Our intentions are to expand our franchise by seizing on the market opportunities within our core business and to increase our return on capital. Where it makes sense, we will also opportunistically pursue other value enhancing growth and profit initiatives that exploit our core strengths and capabilities as an organization. Looking ahead, generating portfolio growth and executing on a focused strategy that delivers high-quality assets at attractive margins, while re-leveraging the fixed costs operating infrastructure of the business, will produce higher profits and returns on capital.

Our future is bright thanks in large part to Marlin's dedicated workforce doing the necessary tasks to make our business successful. Of course, this success is nothing without the support of our customers and stakeholders and the confidence they have shown us. In closing, to our shareholders, our mission is to maintain your trust and create a valued franchise.



Daniel P. Dyer
Co-Founder & Chief Executive Officer



CORPORATE HEADQUARTERS

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

SOUTHEASTERN OFFICE

6470 East Johns Crossing
Suite 430
Johns Creek, GA 30097
P (888)479-9111
F (800)535-8576

WESTERN OFFICE

16115 SW 1st Street
Unit 204
Sherwood, OR 97140
P (503)610-1850
F (888)395-6756

LEASE PROCESSING CENTER

1500 John F. Kennedy Blvd.
Suite 330
Philadelphia, PA 19102
P (888)479-9111
F (800)303-9545

MARLIN BUSINESS BANK

2795 E. Cottonwood Pkwy.
Suite 120
Salt Lake City, UT 84121
P (888)479-9111
F (877)870-6756