



Investor Presentation

March 2017



Forward-Looking Statements

Certain information included in this presentation and other statements or materials published or to be published by Marlin Business Services Corp. (the “Company”) are not historical facts but are forward-looking statements relating to such matters as assumed future results of the Company’s business, financial condition, liquidity, results of operations, plans, objectives and operating targets. In connection with the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, the Company provides the following cautionary remarks regarding important factors which, among others, could cause the Company’s actual results and experience to differ materially from the anticipated results or other expectations expressed in the Company’s forward-looking statements. The risks and uncertainties that may affect the operations, performance, results of the Company’s business and the other matters referred to above include, but are not limited to: 1) general volatility of the securitization and capital markets; 2) changes in the leasing industry, interest rates, the regulatory environment or the general economy; 3) availability, terms and deployment of capital; 4) the degree and nature of competitor product and pricing activity; 5) difficulties of managing growth properly; 6) the creditworthiness of our customers; and 7) the loss of one or more members of the Company’s management team. For further information about these risks and uncertainties, please refer to the Company’s filings with the Securities and Exchange Commission.

Marlin 1.0: At a Glance

National Small Business Lender

- Primarily equipment financing products
- National coverage
- Efficient and broad indirect referral network comprised of manufacturers, franchisors, distributors and dealers
- Bank holding company model provides stable access to low-cost deposits coupled with diversified wholesale borrowing facility

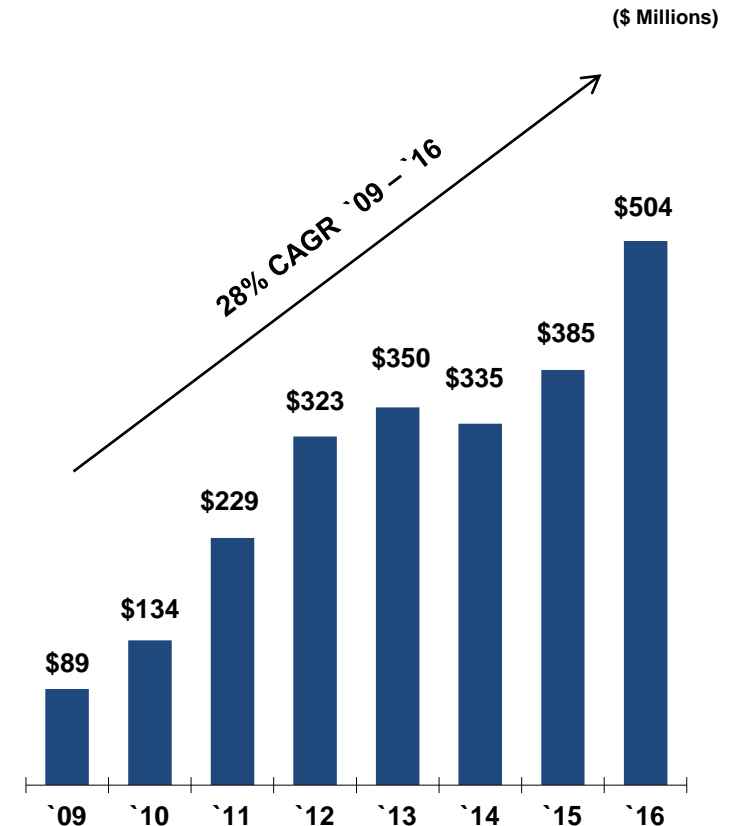
Attractive Market Opportunity

- Strong originations momentum; 28% CAGR since 2009
- Addressing large and underserved market

Technology-driven Origination Platforms

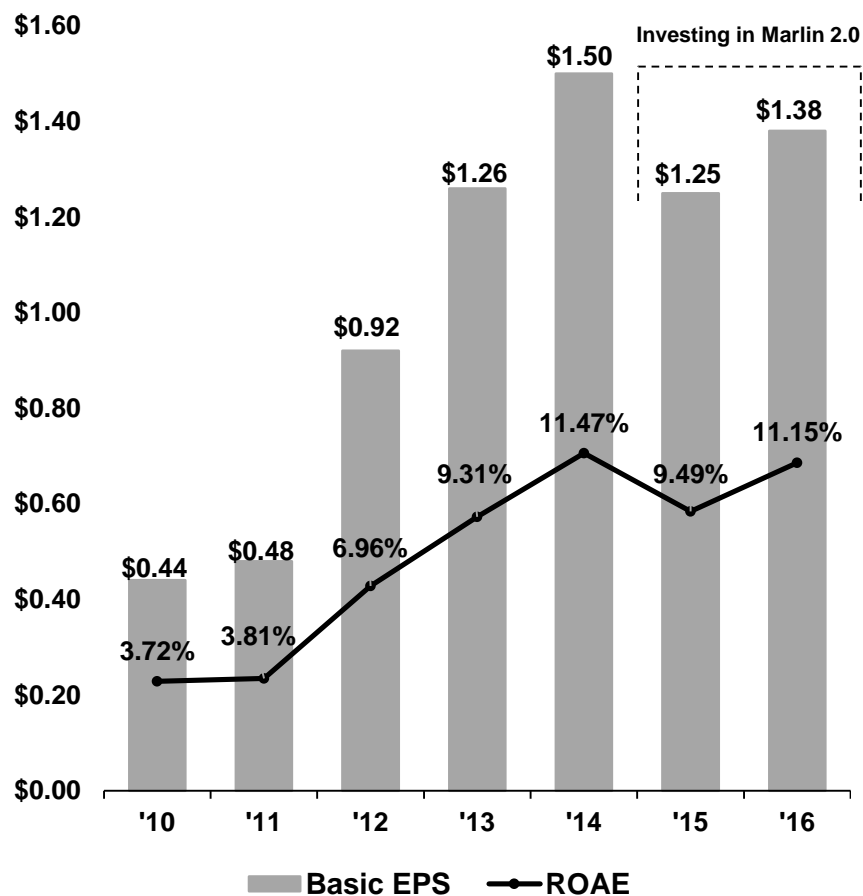
- Proprietary risk management process tested through multiple credit cycles
- 20-year operating history; strong track record of profitability
- Integrated customer account delivery and processing platforms

Annual Origination Volume

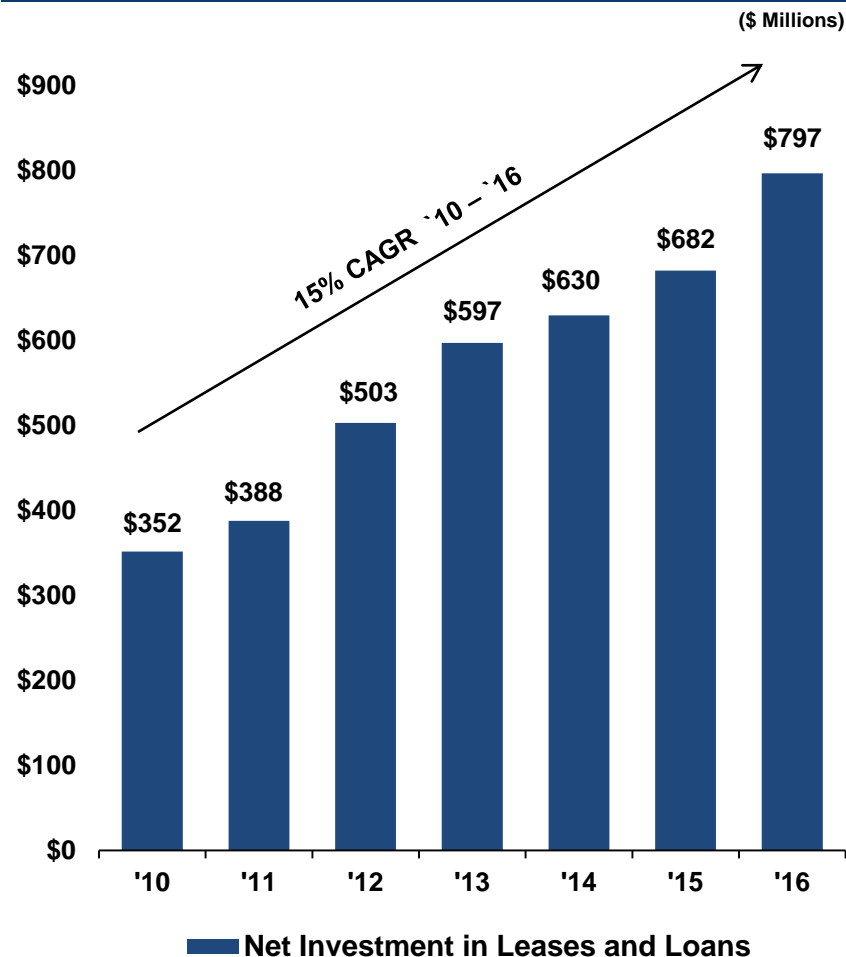


Marlin 1.0: Track Record of Profitable Growth

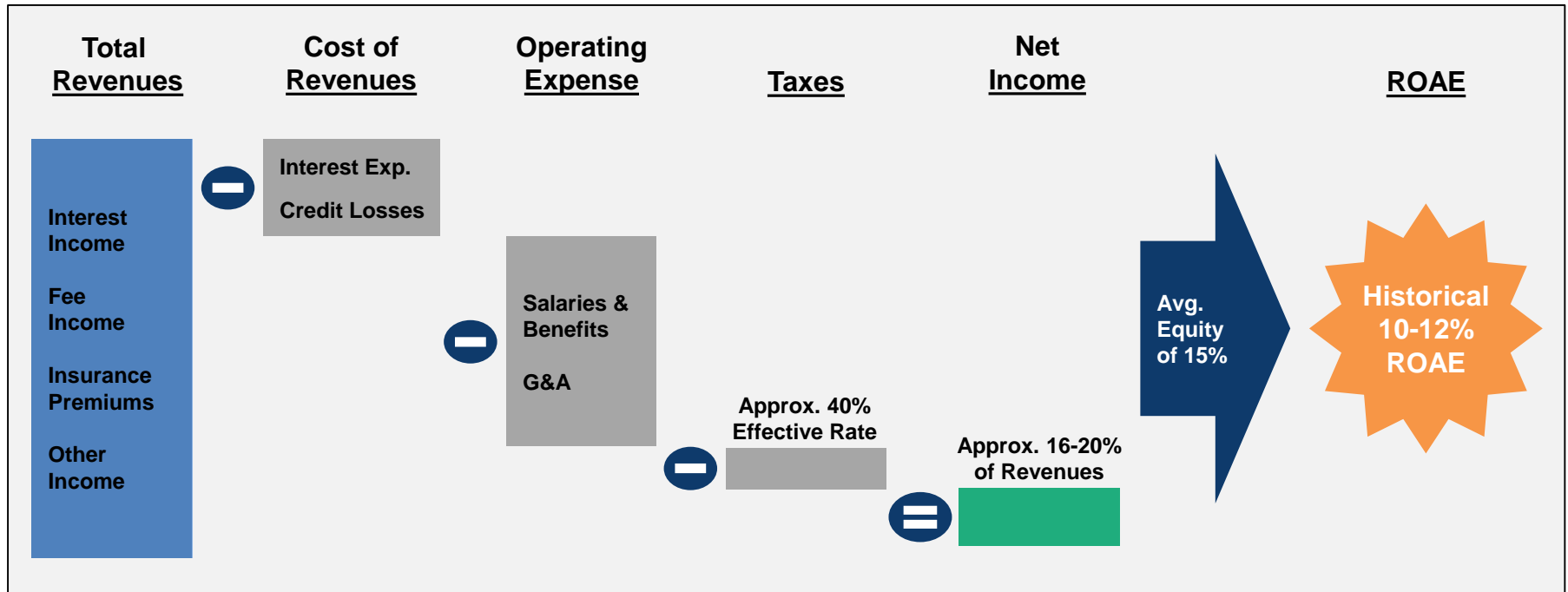
EPS and Return On Average Equity



Lease and Loan Portfolio



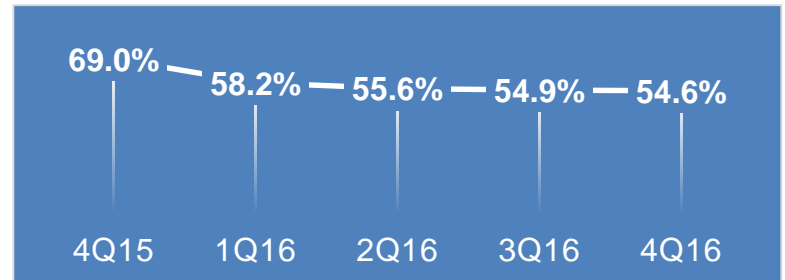
Marlin 1.0: Equipment Finance Business Model



Key Model Attributes

- Efficient and broad indirect referral network comprised of manufacturers, franchisors, distributors and dealers
 - Marlin pays acquisition cost only for initial transaction with customer
- Integrated customer account delivery and processing

Historical Efficiency Ratio



Our Mandate:
**Leverage Marlin's Strengths to Drive Long
Term Sustainable Growth and Improved
Returns**

Marlin 2.0

Vision

To become the leading provider of credit products and services to Small Businesses while delivering exceptional value and services to customers

- Marlin is committed to helping small businesses succeed by delivering outstanding customer experiences

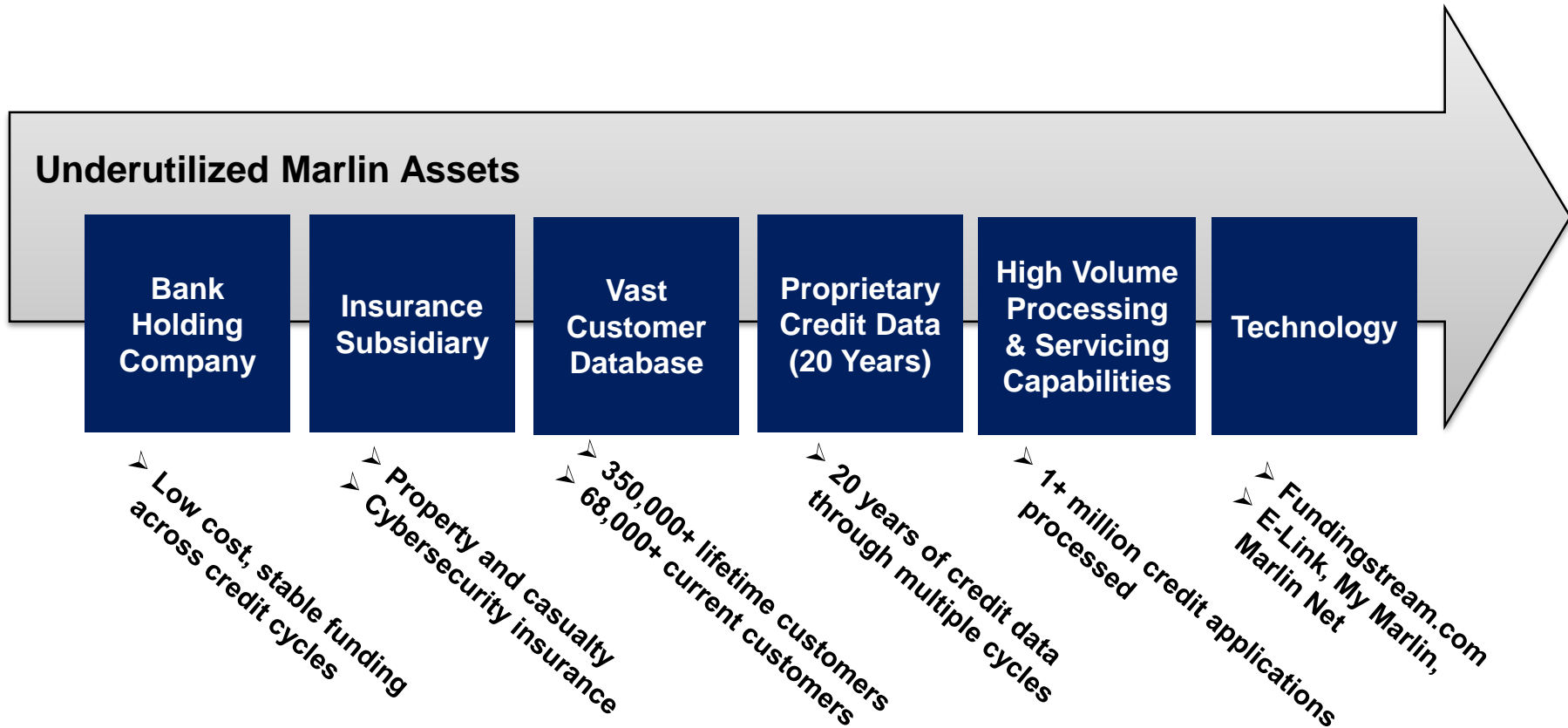
Mission

Helping Small Businesses nationwide achieve the American Dream

- Substantial experience as a small business lender, Marlin is uniquely positioned to capitalize on the vast, fragmented and underserved US small business market

Through Marlin's transition from primarily a micro-ticket lessor to a broader provider of credit products and services to small businesses, the company is focused on delivering strong returns, robust profitability and value to its shareholders

Marlin 2.0: Leveraging Underutilized Assets



Marlin 2.0: Addressing a Large and Fragmented Market

- **Marlin 2.0 significantly expands Company's addressable market**

- » 28 million small businesses in the U.S.
- » Small businesses comprise 99% of all U.S. businesses
- » Extends market to include broader set of credit products from prior focus almost exclusively on equipment leases

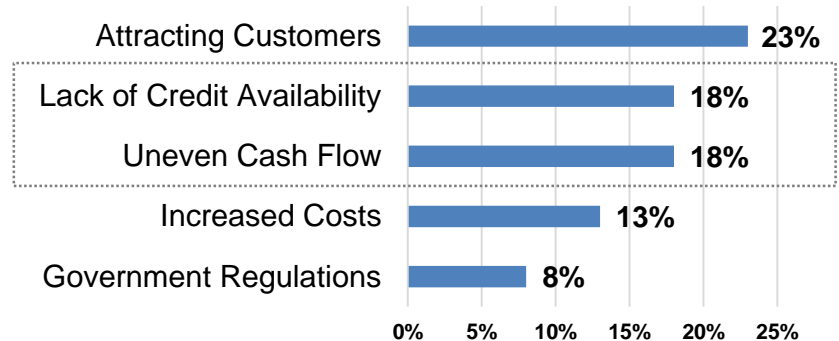
- **Underserved market for credit products for small businesses**

- » Lack of credit and uneven cash flow cited as top issues concerning small businesses
- » Small businesses unhappy with traditional banks ability to address credit needs

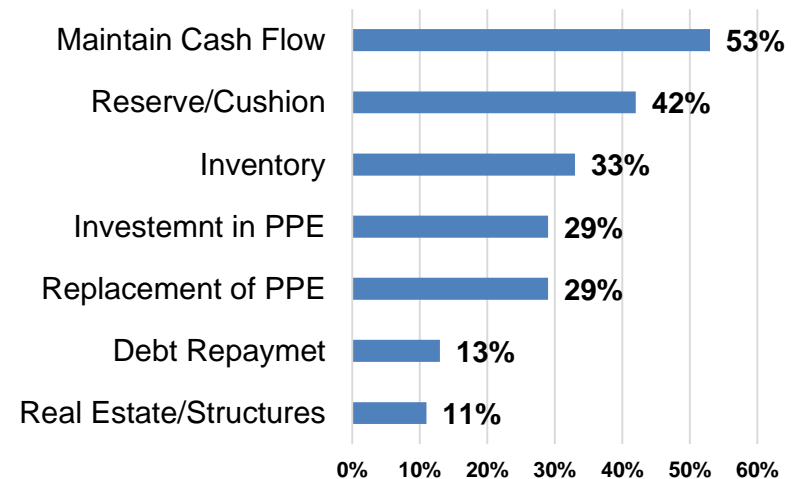
- **Highly fragmented market**

- » Competitors include commercial banks, independent lenders, lease brokers, and captive financing divisions of manufacturers
- » Most competitors focused on larger ticket credit products; Marlin well-positioned to fill void

Top Issues for Small Businesses (1)



Small Business Desired Use of Loan Proceeds (1)

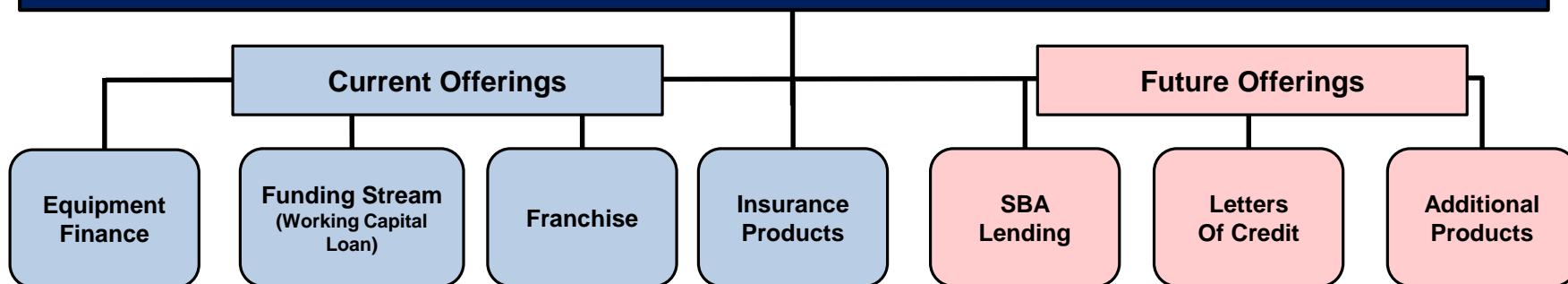


Marlin 2.0: Expanding Product and Service Offerings

Vast, Fragmented and Underserved Market

Small Businesses (Annual Revenue: <\$10M)
28.3M in United States (99.3% of Total U.S. Businesses)⁽¹⁾

Marlin: A premier provider of credit products & services to small businesses nationwide



(1) Source: U.S. Census 2012 SUSB Annual Date

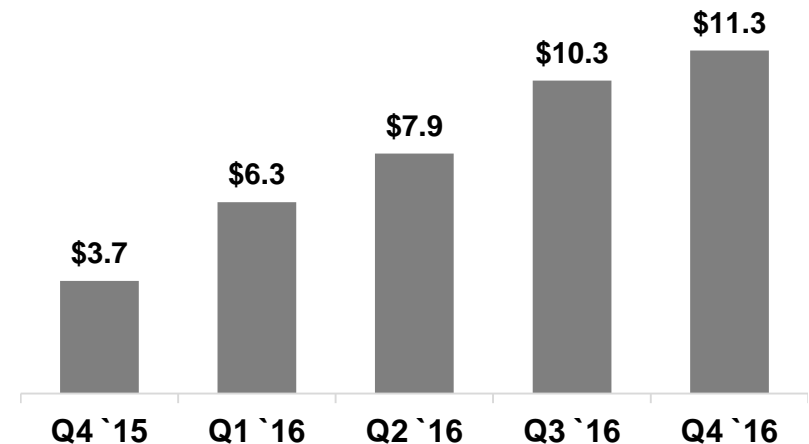
Marlin 2.0: Early Product Expansion Success - Funding Stream

Funding Stream-Working Capital Loan

- Launched in 1H 2015
- Highly convenient to customer
 - » Apply in 10 minutes or less, loans from \$5k-\$100k, flexible 6-24 month terms, funds in as little as 2 days, automated daily or weekly payback
- Marlin's existing infrastructure creates built-in advantages versus stand-alone providers
 - » Leverage credit knowledge and origination & servicing technology
- Highly liquid in secondary market with many partnering opportunities
- Attractive above-market, risk-adjusted returns; average annualized yield >30%

- ✓ Underserved market
- ✓ Leverages existing infrastructure
- ✓ Attractive risk-adjusted returns

Funding Stream
Quarterly Origination Volume (\$m)

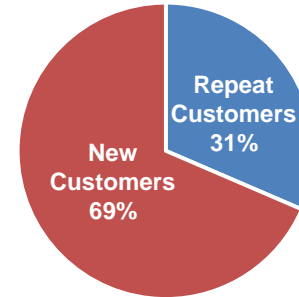


Marlin 2.0: Leveraging Origination Sources

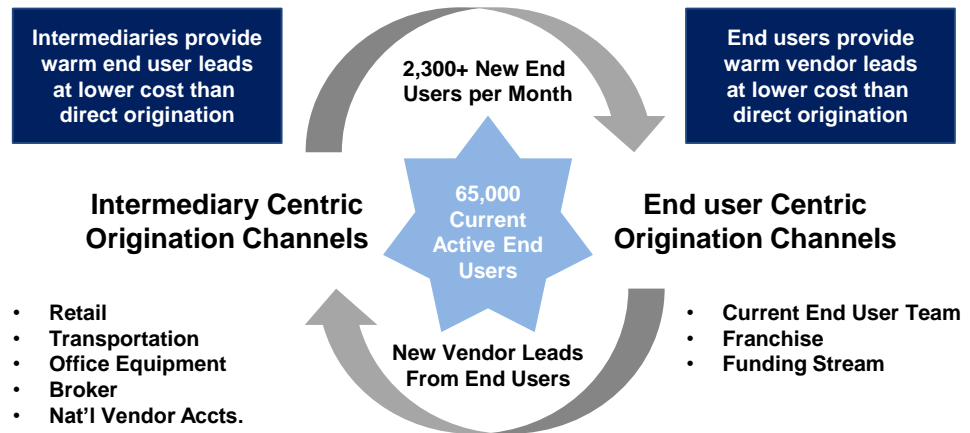
- **Initial customer acquisition through Marlin's:**
 - » Nationwide network of manufacturers, franchisors, distributors and dealers
 - » Nationwide salesforce
- **Cross sell opportunity directly targeting Marlin's customers**
 - » 1 million customers adjudicated; 350,000 lifetime customers; 68,000+ active base of customers
 - » Cost-effective, integrated marketing strategy
 - » Ability to target the most profitable, credit-worthy customers
- **Leverage credit knowledge of existing customers**
 - » Improves overall portfolio credit quality
- **Marlin only pays subscriber acquisition cost on initial transaction**
 - » Repeat business significantly lowers blended subscriber acquisition cost on total portfolio

Total Portfolio - \$793 Million

(as of 12/31/2016)



Emerging End User Strategy



Effectively penetrating a multitude of origination sources in the highly diversified and fragmented small-ticket credit marketplace

Marlin 2.0: Strategic Growth Objectives

1 Growth

- Leverage infrastructure and platforms across larger portfolio
- Grow Funding Stream, Transportation, Franchise and Office Equipment platforms and channels
- Identify future growth engines, through acquisitions and organic means
- Double origination volume by 2020

2 Operate More Efficiently

- Rationalize & leverage fixed costs through scale
- Reduce unit processing costs through operational enhancements
- Process renewal to improve customer experience through speed & consistency
- Improve efficiency ratio to 45%

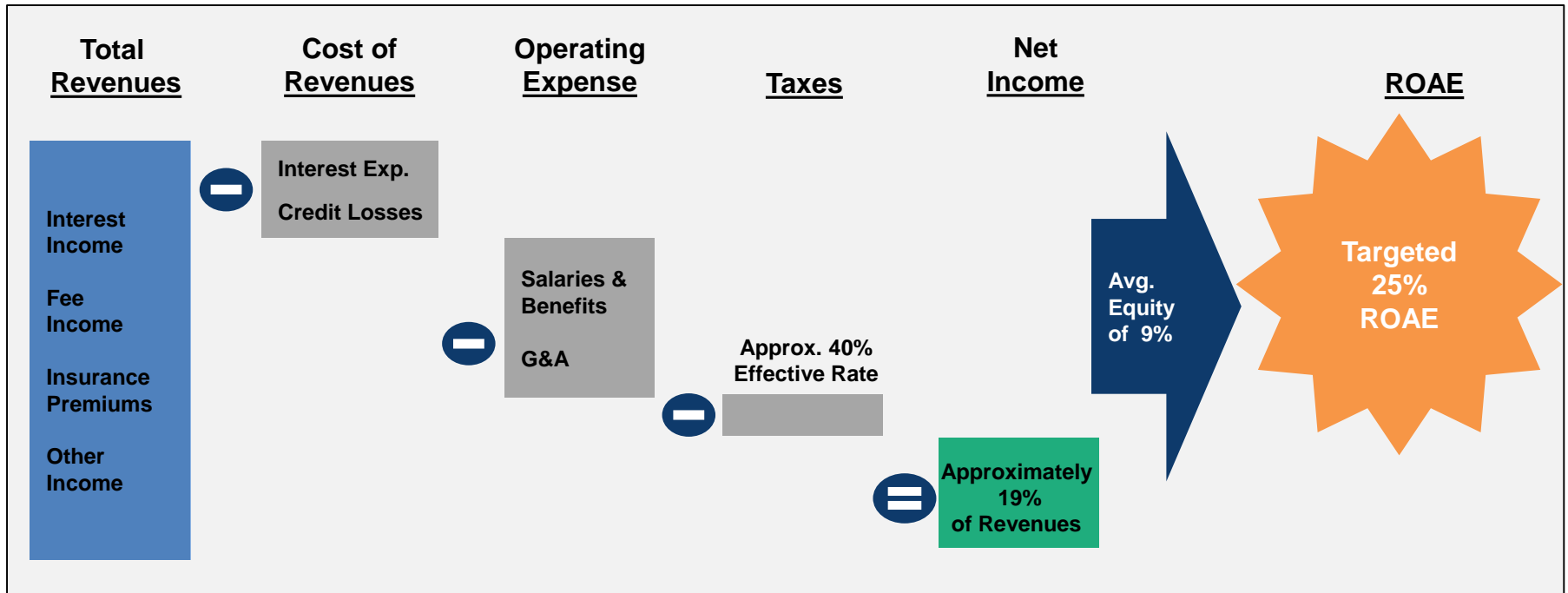
3 Use Capital More Productively

- Leverage capital base through whole sale credit facility
- Diversify funding around Marlin Business Bank
- Expand flow-based sell-side syndication capability
- Increase overall portfolio leverage to approximately 90%

Marlin 2.0: Operating Targets

	Actuals		Target
	2015	2016	2020 (est.)
New Origination Volume	\$385 Million	\$504 Million	~\$1 Billion
Investment in Leases & Loans	\$680 Million	\$793 Million	~\$1.5 Billion
Portfolio Leverage	78.00%	79.65%	~90%
Efficiency Ratio	57.84%	55.77%	~45%
Return on Avg. Assets (ROAA)	2.11%	2.08%	~2.6%
Return on Avg. Equity (ROAE)	9.49%	11.15%	~25%

Marlin 2.0: Driving Substantial Increase in ROAE



Key Model Attributes

- Leveraging fixed infrastructure costs (operating expense) across larger portfolio
- Improving overall credit quality
- Increasing transaction sizes
- More efficient use of capital

Investment Highlights

- **Large, Fragmented and Underserved Addressable Market**
- **Personalized, Multi-faceted Origination Platforms Fill Market Need**
- **Highly Profitable Products and Stable Credit Quality**
- **Sophisticated Technology & Data Analytics**
- **Highly Scalable Model with Bank Funding**
- **'Marlin 2.0' Initiatives Turbo-Charge Profitable Growth**

Addressing a large market with a unique value proposition and commitment to continuous operational improvements will be fundamental drivers of shareholder value



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Appendix: Historical Financial Performance

SELECTED ANNUAL FINANCIAL DATA

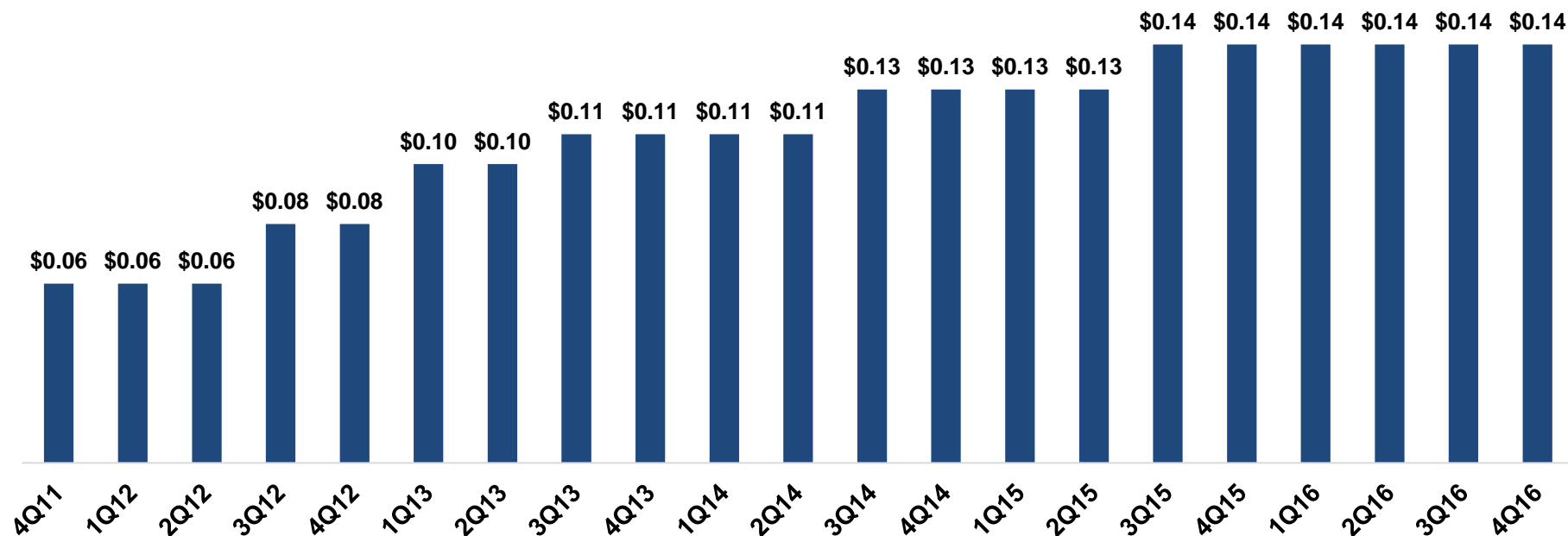
(\$ in 000s)

	2011	2012	2013	2014	2015	2016
BALANCE SHEET						
Managed Earning Assets (EOP)	\$385,984	\$500,203	\$595,253	\$627,922	\$679,737	\$793,285
Active Managed Accounts (EOP)	65,241	69,117	75,152	78,619	82,024	86,247
Total Assets (EOP)	\$485,969	\$602,348	\$702,207	\$758,449	\$772,984	\$892,158
STOCKHOLDER EQUITY						
Equity	\$164,101	\$174,250	\$163,038	\$173,964	\$150,138	\$162,289
Equity / Assets Ratio	33.8%	28.9%	23.2%	22.9%	19.4%	18.2%
ASSET ORIGINATION ⁽²⁾						
Volume	\$229,014	\$322,198	\$349,461	\$334,744	\$384,660	\$504,282
Net Yield on New Originations	12.8%	12.9%	11.9%	11.1%	11.1%	11.7%
NET INTEREST & FEE MARGIN ⁽¹⁾						
Interest Income	12.4%	12.2%	11.8%	11.1%	10.5%	10.4%
Fees	3.4%	2.8%	2.5%	2.5%	2.4%	2.2%
Interest and Fee Income	15.8%	15.0%	14.3%	13.5%	12.9%	12.5%
Cost of Borrowing	3.2%	1.6%	0.8%	0.8%	0.9%	1.1%
NET INTEREST & FEE MARGIN	12.6%	13.4%	13.4%	12.7%	12.0%	11.5%
PROFITABILITY						
Net Income	\$6,175	\$11,697	\$17,510	\$19,350	\$15,966	\$17,279
Efficiency Ratio	70.0%	60.0%	51.0%	50.4%	57.8%	55.8%
ROAA	1.3%	2.2%	2.7%	2.6%	2.1%	2.1%
ROAE	3.8%	7.0%	10.0%	11.5%	9.5%	11.2%
EPS	\$0.48	\$0.91	\$1.35	\$1.50	\$1.25	\$1.38
Dividend Per Share	\$0.06	\$0.28	\$2.42	\$0.47	\$2.53	\$0.56
Tax Rate	40.2%	38.0%	37.6%	38.1%	36.7%	38.9%



Returning Capital to Shareholders

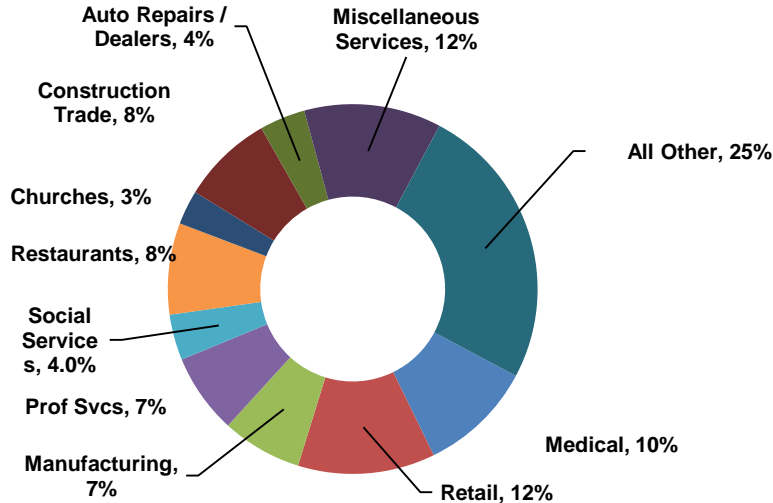
Regular Cash Dividends



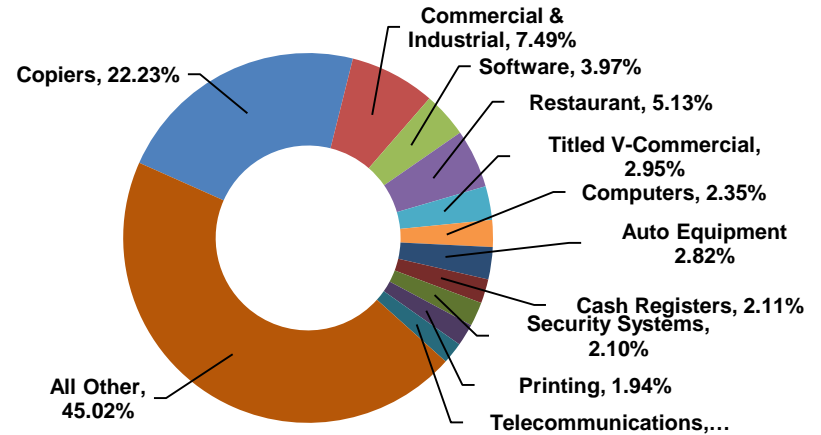
- Regular cash dividend established Q4 2011
- Committed to prudently balancing growth while returning capital to shareholders
- Strong current annualized dividend yield: 2.6% ⁽¹⁾
- Special dividend of \$2.00 per share paid in Q3 2013 and Q4 2015

Highly Diversified \$797M Portfolio (as of 12/31/16) ⁽¹⁾

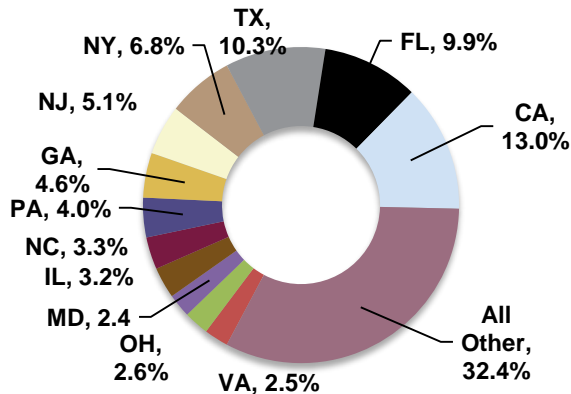
Diversified By Industry



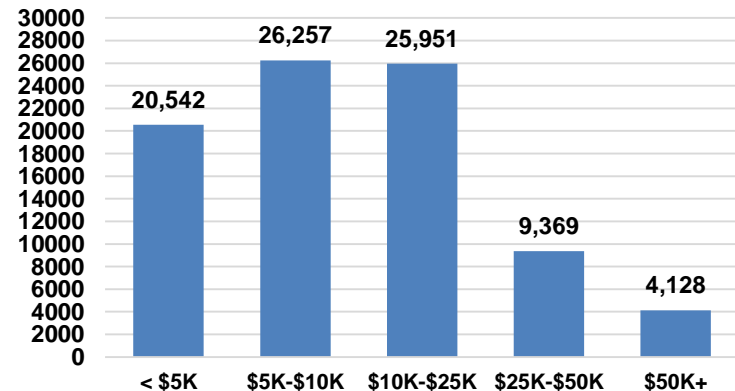
Diversified by Equipment



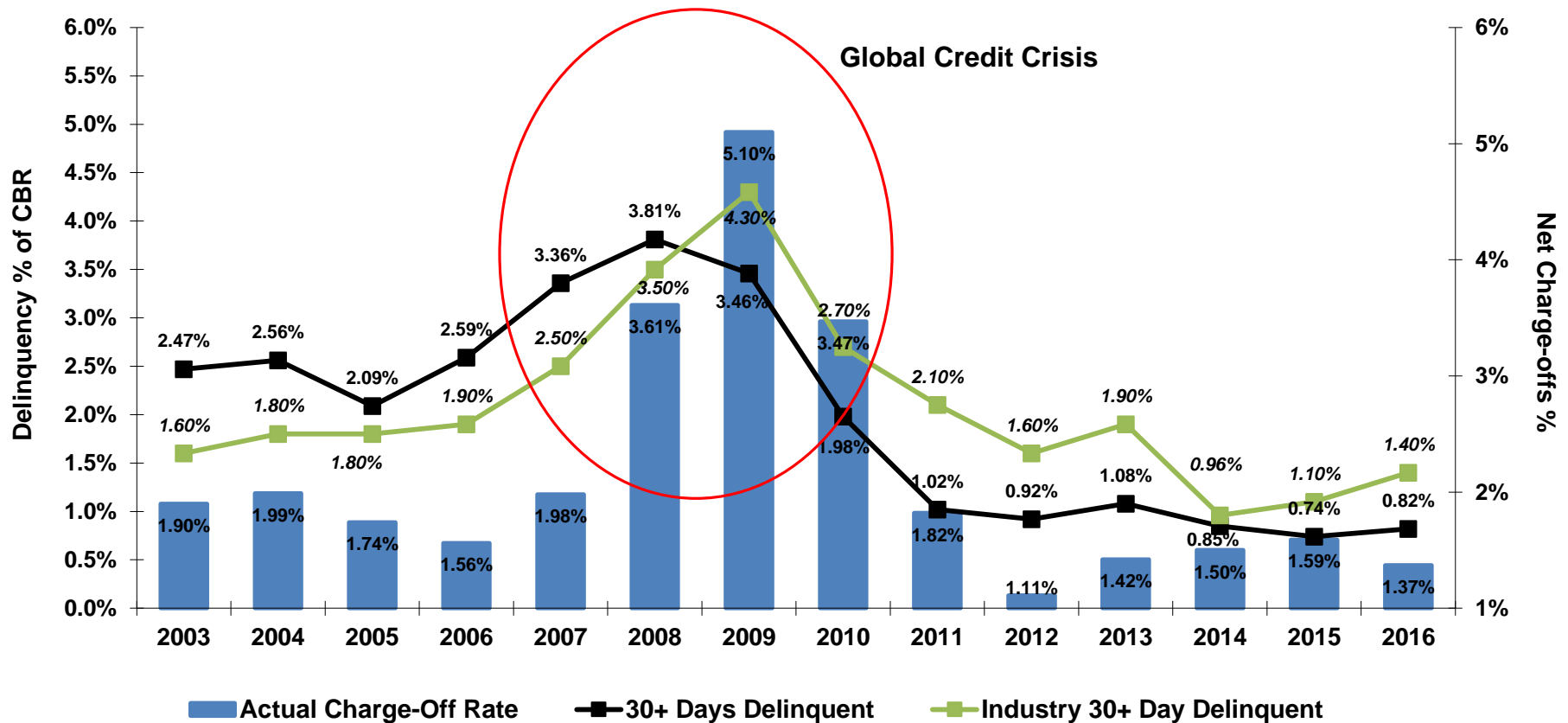
Diversified By State



Diversified by Ticket-Size

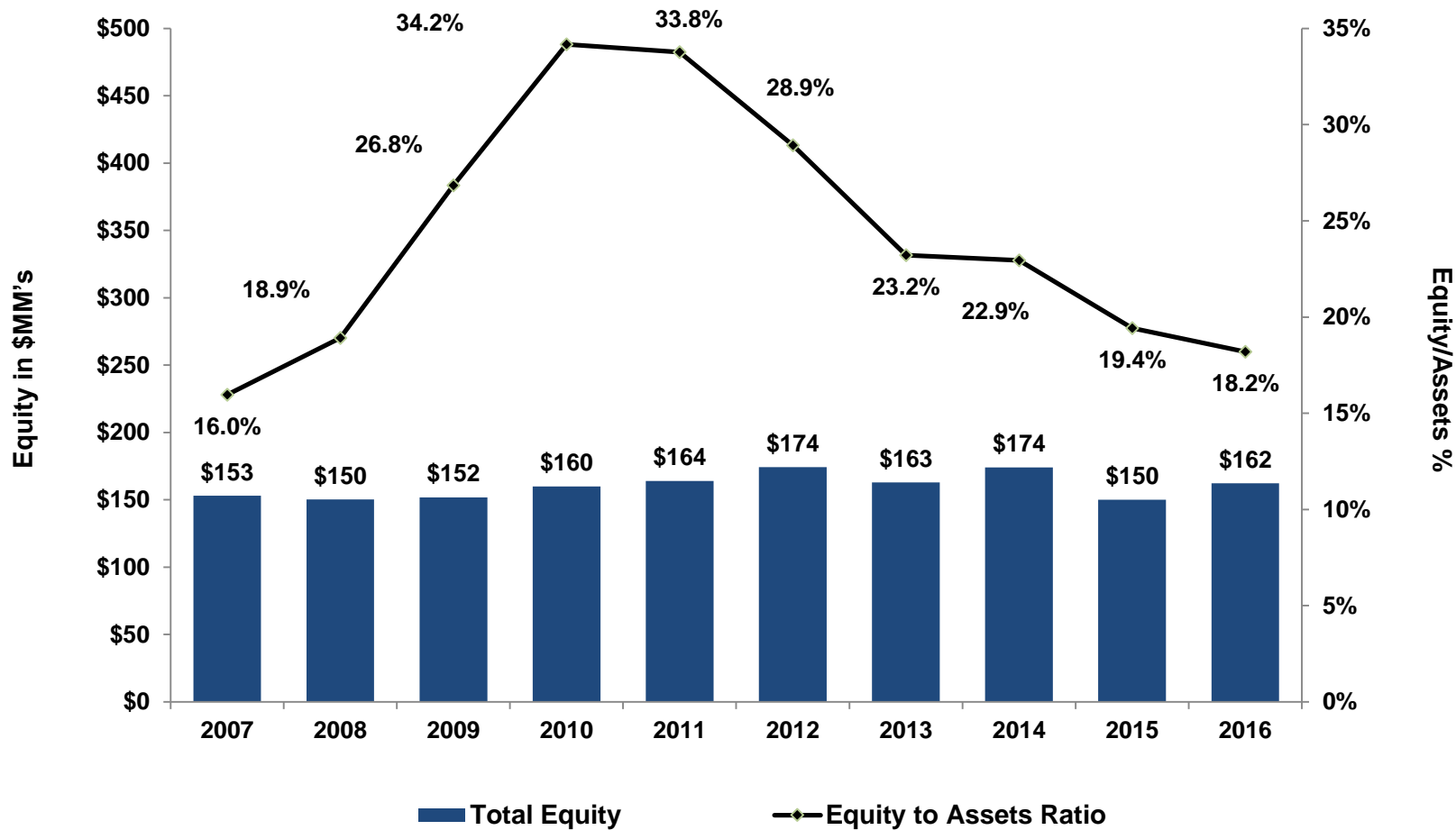


Strong Asset Quality



- » Diverse portfolio mix
- » Disciplined credit Underwriting and Risk management
- » Strong collections capabilities and customer service

Capital Adequacy



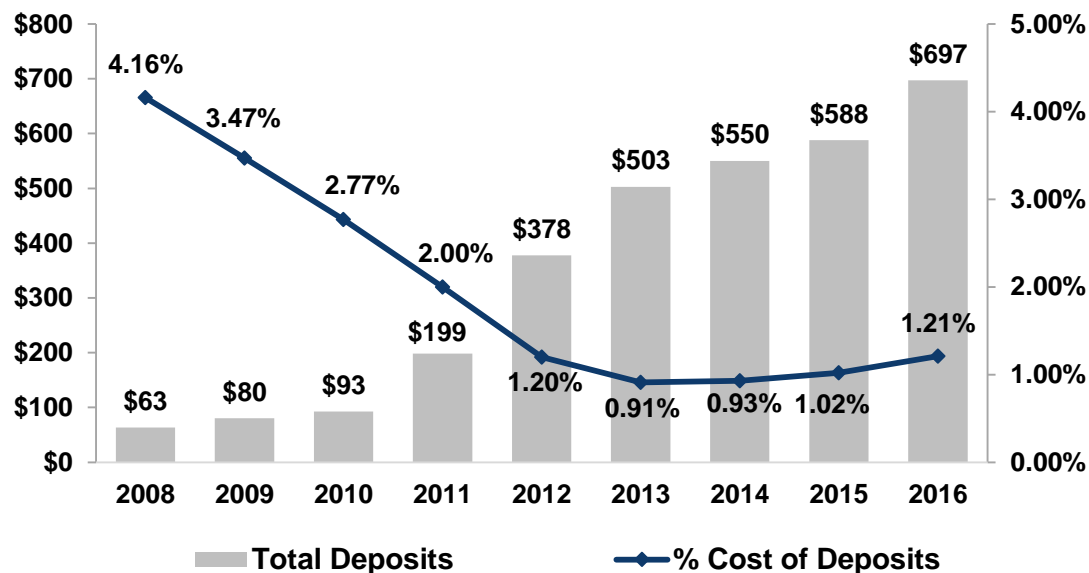
Marlin Business Bank

Marlin Business Bank is a Utah State-Chartered, Federal Reserve-Member Bank

Overview

- » Stable access to low cost deposit funding
- » Match Funding
- » Diversified deposit mix:
 - Brokered CD market
 - National listing services
 - Money market funds
 - Direct

Total Deposits



Marlin Business Bank provides Marlin's origination platforms with access to low cost deposits and stable funding across credit cycles