



Supplemental Financial Information

Our operations are comprised of two reportable segments: 1) Account Services and 2) Processing and Settlement Services. We identified our reportable segments based on factors such as how we manage our operations and how our chief operating decision maker views results. Our chief operating decision maker organizes and manages our business primarily on the basis of product and service offerings and uses operating income to assess profitability.

The Company's operations are comprised of two reportable segments: 1) Account Services and 2) Processing and Settlement Services. The Account Services segment consists of revenues and expenses derived from the Company's branded and private label deposit account programs. These programs include Green Dot-branded and affinity-branded GPR card accounts, private label GPR card accounts, checking accounts and open-loop gift cards. The Processing and Settlement Services segment consists of revenues and expenses derived from reload services through the Green Dot Network and the Company's tax refund processing services. The Corporate and Other segment primarily consists of eliminations of intersegment revenues and expenses, unallocated corporate expenses, depreciation and amortization, and other costs that are not considered when management evaluates segment performance.

The following tables present certain financial information for each of our reportable segments for the periods then ended:

| | Three Months Ended March 31, 2015 | | | | Three Months Ended March 31, 2016 | | | |
|--|-----------------------------------|------------------------------------|---------------------|------------|-----------------------------------|------------------------------------|---------------------|------------|
| | Account Services | Processing and Settlement Services | Corporate and Other | Total | Account Services | Processing and Settlement Services | Corporate and Other | Total |
| | (In thousands) | | | | (In thousands) | | | |
| Operating revenues | \$ 147,859 | \$ 90,176 | \$ (10,870) | \$ 227,165 | \$ 145,140 | \$ 91,370 | \$ (8,486) | \$ 228,024 |
| Number of active cards at quarter end | 5,380 | | | | 4,750 | | | |
| Revenue per active card at quarter end | \$ 27.48 | | | | \$ 30.56 | | | |

| | Three Months Ended June 30, 2015 | | | |
|--|----------------------------------|------------------------------------|---------------------|------------|
| | Account Services | Processing and Settlement Services | Corporate and Other | Total |
| | (In thousands) | | | |
| Operating revenues | \$ 134,772 | \$ 42,631 | \$ (7,156) | \$ 170,247 |
| Number of active cards at quarter end | 4,800 | | | |
| Revenue per active card at quarter end | \$ 28.08 | | | |

| | Three Months Ended September 30, 2015 | | | |
|--|---------------------------------------|------------------------------------|---------------------|------------|
| | Account Services | Processing and Settlement Services | Corporate and Other | Total |
| | (In thousands) | | | |
| Operating revenues | \$ 121,655 | \$ 31,444 | \$ (6,739) | \$ 146,360 |
| Number of active cards at quarter end | 4,510 | | | |
| Revenue per active card at quarter end | \$ 26.97 | | | |

| | Three Months Ended December 31, 2015 | | | |
|--|--------------------------------------|------------------------------------|---------------------|------------|
| | Account Services | Processing and Settlement Services | Corporate and Other | Total |
| | (In thousands) | | | |
| Operating revenues | \$ 127,124 | \$ 30,749 | \$ (6,945) | \$ 150,928 |
| Number of active cards at quarter end | 4,500 | | | |
| Revenue per active card at quarter end | \$ 28.25 | | | |

| | Year Ended December 31, 2015 | | | |
|--------------------|------------------------------|------------------------------------|---------------------|------------|
| | Account Services | Processing and Settlement Services | Corporate and Other | Total |
| | (In thousands) | | | |
| Operating revenues | \$ 531,410 | \$ 195,000 | \$ (31,710) | \$ 694,700 |



Supplemental Non-GAAP Financial Information

| | 2015 | | | | | 2016 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| | (in thousands) | | | | | |
| Reconciliation of total operating revenues to non-GAAP total operating revenues | | | | | | |
| Total operating revenues | \$ 227,165 | \$ 170,247 | \$ 146,360 | \$ 150,928 | \$ 694,700 | \$ 228,024 |
| Stock-based retailer incentive compensation (2)(4) | 1,906 | 614 | - | - | 2,520 | - |
| Contra-revenue advertising costs (3)(4) | 1,816 | (72) | 115 | 118 | 1,977 | 219 |
| Non-GAAP total operating revenues | \$ 230,887 | \$ 170,789 | \$ 146,475 | \$ 151,046 | \$ 699,197 | \$ 228,243 |

| | 2015 | | | | | 2016 |
|---|------------------|------------------|-----------------|-----------------|------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| | (in thousands) | | | | | |
| Reconciliation of net income (loss) to non-GAAP net income | | | | | | |
| Net income (loss) | \$ 40,813 | \$ 3,496 | \$ 179 | \$ (6,073) | \$ 38,415 | \$ 32,882 |
| Employee stock-based compensation expense (5) | 5,213 | 6,410 | 7,453 | 7,935 | 27,011 | 5,645 |
| Stock-based retailer incentive compensation (2) | 1,906 | 614 | - | - | 2,520 | - |
| Amortization of acquired intangibles (6) | 5,325 | 5,884 | 5,915 | 6,081 | 23,205 | 5,774 |
| Change in fair value of contingent consideration (6) | (7,616) | 100 | - | (684) | (8,200) | - |
| Other charges (income) (7) | 2,667 | (182) | 90 | 44 | 2,619 | 799 |
| Transaction costs (6) | 282 | 403 | 119 | 526 | 1,330 | 81 |
| Amortization of deferred financing costs (7) | 384 | 383 | 384 | 383 | 1,534 | 384 |
| Impairment charges (7) | - | 4,997 | 742 | 142 | 5,881 | 105 |
| Income tax effect (8) | (3,097) | (7,259) | (6,935) | (5,076) | (22,367) | (4,702) |
| Non-GAAP net income | \$ 45,877 | \$ 14,846 | \$ 7,947 | \$ 3,278 | \$ 71,948 | \$ 40,968 |
| Diluted earnings per share* | | | | | | |
| GAAP | \$ 0.76 | \$ 0.06 | \$ - | \$ (0.12) | \$ 0.72 | \$ 0.63 |
| Non-GAAP | \$ 0.86 | \$ 0.28 | \$ 0.15 | \$ 0.06 | \$ 1.35 | \$ 0.78 |
| Diluted weighted-average shares issued and outstanding** | | | | | | |
| GAAP | 51,938 | 52,275 | 52,361 | 51,168 | 51,875 | 50,867 |
| Non-GAAP | 53,558 | 53,804 | 53,880 | 52,687 | 53,422 | 52,386 |

* Reconciliations between GAAP and non-GAAP diluted weighted-average shares issued and outstanding are provided in the next table.

** Diluted weighted-average Class A shares issued and outstanding is the most directly comparable GAAP measure for the periods indicated.

| | 2015 | | | | | 2016 |
|--|----------------|---------------|---------------|---------------|---------------|---------------|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| | (in thousands) | | | | | |
| Reconciliation of GAAP to non-GAAP diluted weighted-average shares issued and outstanding | | | | | | |
| Diluted weighted-average shares issued and outstanding* | 51,938 | 52,275 | 52,361 | 51,168 | 51,875 | 50,867 |
| Assumed conversion of weighted-average shares of preferred stock | 1,515 | 1,518 | 1,519 | 1,519 | 1,518 | 1,519 |
| Weighted-average shares subject to repurchase | 105 | 11 | - | - | 29 | - |
| Non-GAAP diluted weighted-average shares issued and outstanding | 53,558 | 53,804 | 53,880 | 52,687 | 53,422 | 52,386 |

* Represents the diluted weighted-average shares of Class A common stock for the periods indicated.

| | 2015 | | | | | 2016 |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| | (in thousands) | | | | | |
| Reconciliation of net income (loss) to adjusted EBITDA | | | | | | |
| Net income (loss) | \$ 40,813 | \$ 3,496 | \$ 179 | \$ (6,073) | \$ 38,415 | \$ 32,882 |
| Net interest expense (income) (4) | 118 | 431 | 337 | 321 | 1,207 | 2,480 |
| Income tax expense (benefit) | 24,965 | 2,991 | (2,222) | (6,027) | 19,707 | 19,124 |
| Depreciation of property and equipment (4) | 9,375 | 9,102 | 9,584 | 10,448 | 38,509 | 11,404 |
| Employee stock-based compensation expense (4)(5) | 5,213 | 6,410 | 7,453 | 7,935 | 27,011 | 5,645 |
| Stock-based retailer incentive compensation (2)(4) | 1,906 | 614 | - | - | 2,520 | - |
| Amortization of acquired intangibles (4)(6) | 5,325 | 5,884 | 5,915 | 6,081 | 23,205 | 5,774 |
| Change in fair value of contingent consideration (4)(6) | (7,616) | 100 | - | (684) | (8,200) | - |
| Other charges (income) (4)(7) | 2,667 | (182) | 90 | 44 | 2,619 | 799 |
| Transaction costs (4)(6) | 282 | 403 | 119 | 526 | 1,330 | 81 |
| Impairment charges (4)(7) | - | 4,997 | 742 | 142 | 5,881 | 105 |
| Adjusted EBITDA | \$ 83,048 | \$ 34,246 | \$ 22,197 | \$ 12,713 | \$ 152,204 | \$ 78,294 |
| Non-GAAP total operating revenues | \$ 230,887 | \$ 170,789 | \$ 146,475 | \$ 151,046 | \$ 699,197 | \$ 228,243 |
| Adjusted EBITDA/non-GAAP total operating revenues (adjusted EBITDA margin) | 36.0% | 20.1% | 15.2% | 8.4% | 21.8% | 34.3% |



Supplemental Non-GAAP Financial Information

| | 2015 | | | | | 2016 |
|---|----------------|--------|--------|--------|--------|--------|
| | Q1 | Q2 | Q3 | Q4 | YTD | Q1 |
| | (in thousands) | | | | | |
| Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding | | | | | | |
| Stock outstanding as of period end: | | | | | | |
| Class A common stock | 51,699 | 51,911 | 50,294 | 50,502 | 50,502 | 49,866 |
| Preferred stock (on an as-converted basis) | 1,515 | 1,519 | 1,519 | 1,519 | 1,519 | 1,519 |
| Total stock outstanding as of period end: | 53,214 | 53,430 | 51,813 | 52,021 | 52,021 | 51,385 |
| Weighting adjustment | (146) | (90) | 1,282 | (2) | 858 | (3) |
| Dilutive potential shares: | | | | | | |
| Stock options | 281 | 272 | 375 | 316 | 293 | 343 |
| Restricted stock units | 193 | 185 | 383 | 345 | 243 | 630 |
| Employee stock purchase plan | 16 | 7 | 27 | 7 | 7 | 31 |
| Non-GAAP diluted weighted-average shares issued and outstanding | 53,558 | 53,804 | 53,880 | 52,687 | 53,422 | 52,386 |



- (1) To supplement the Company's consolidated financial statements presented in accordance with GAAP, the Company uses measures of operating results that are adjusted to exclude various, primarily non-cash, expenses and charges. These financial measures are not calculated or presented in accordance with GAAP and should not be considered as alternatives to or substitutes for operating revenues, operating income, net income or any other measure of financial performance calculated and presented in accordance with GAAP. These financial measures may not be comparable to similarly-titled measures of other organizations because other organizations may not calculate their measures in the same manner as we do. These financial measures are adjusted to eliminate the impact of items that the Company does not consider indicative of its core operating performance. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate.

The Company believes that the non-GAAP financial measures it presents are useful to investors in evaluating the Company's operating performance for the following reasons:

- stock-based retailer incentive compensation is a non-cash GAAP accounting charge that is an offset to the Company's actual revenues from operations as the Company has historically calculated them. This charge resulted from the monthly lapsing of the Company's right to repurchase a portion of the 2,208,552 shares it issued to its largest distributor, Walmart, in May 2010. By adding back this charge to the Company's GAAP total operating revenues, investors can make direct comparisons of the Company's revenues from operations prior to May 2015, when the repurchase right fully lapsed, and thus more easily perceive trends in the Company's core operations. Further, because the monthly charge is based on the then-current fair market value of the shares as to which the Company's repurchase right lapses, adding back this charge eliminates fluctuations in the Company's operating revenues caused by variations in its stock price and thus provides insight on the operating revenues directly associated with those core operations;
- the Company records employee stock-based compensation from period to period, and recorded employee stock-based compensation expenses of approximately \$5.6 million and \$5.2 million for the three months ended March 31, 2016 and 2015, respectively. By comparing the Company's adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share in different historical periods, investors can evaluate the Company's operating results without the additional variations caused by employee stock-based compensation expense, which may not be comparable from period to period due to changes in the fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations;
- adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items, such as net interest income and expense, income tax benefit and expense, depreciation and amortization, employee stock-based compensation expense, stock-based retailer incentive compensation expense, contingent consideration, other charges and income, transaction costs, and impairment charges that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired; and
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

The Company's management uses the non-GAAP financial measures:

- as measures of operating performance, because they exclude the impact of items not directly resulting from the Company's core operations;
- for planning purposes, including the preparation of the Company's annual operating budget;
- to allocate resources to enhance the financial performance of the Company's business;
- to evaluate the effectiveness of the Company's business strategies; and
- in communications with the Company's board of directors concerning the Company's financial performance.

The Company understands that, although adjusted EBITDA and other non-GAAP financial measures are frequently used by investors and securities analysts in their evaluations of companies, these measures have limitations as an analytical tool, and you should not consider them in isolation or as substitutes for analysis of the Company's results of operations as reported under GAAP. Some of these limitations are:

- that these measures do not reflect the Company's capital expenditures or future requirements for capital expenditures or other contractual commitments;
- that these measures do not reflect changes in, or cash requirements for, the Company's working capital needs;
- that these measures do not reflect interest expense or interest income;

- that these measures do not reflect cash requirements for income taxes;
 - that, although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for these replacements; and
 - that other companies in the Company's industry may calculate these measures differently than the Company does, limiting their usefulness as comparative measures.
- (2) This expense consists of the recorded fair value of the shares of Class A common stock for which the Company's right to repurchase has lapsed pursuant to the terms of the May 2010 agreement under which they were issued to Wal-Mart Stores, Inc., a contra-revenue component of the Company's total operating revenues. The Company does not believe these non-cash expenses are reflective of ongoing operating results. Our right to repurchase any shares issued to Walmart fully lapsed during the three months ended June 30, 2015. As a result, we no longer recognize stock-based retailer incentive compensation in future periods.
- (3) This expense consists of certain co-op advertising costs recognized as contra-revenue under GAAP. The Company believes the substance of the costs incurred are a result of advertising and is not reflective of ongoing total operating revenues. The Company believes that excluding co-op advertising costs from total operating revenues facilitates the comparison of our financial results to the Company's historical operating results. Prior to 2015, the Company did not have any co-op advertising costs recorded as contra-revenue.
- (4) The Company does not include any income tax impact of the associated non-GAAP adjustment to non-GAAP total operating revenues or adjusted EBITDA, as the case may be, because each of these non-GAAP financial measures is provided before income tax expense.
- (5) This expense consists primarily of expenses for employee stock options and restricted stock units. Employee stock-based compensation expense is not comparable from period to period due to changes in the fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations. The Company excludes employee stock-based compensation expense from its non-GAAP financial measures primarily because it consists of non-cash expenses that the Company does not believe are reflective of ongoing operating results. Further, the Company believes that it is useful to investors to understand the impact of employee stock-based compensation to its results of operations.
- (6) The Company excludes certain income and expenses that are the result of acquisitions. These acquisition related adjustments include the amortization of acquired intangible assets, changes in the fair value of contingent consideration, settlements of contingencies established at time of acquisition and other acquisition related charges, such as integration charges and professional and legal fees, which result in the Company recording expenses or fair value adjustments in its GAAP financial statements. The Company analyzes the performance of its operations without regard to these adjustments. In determining whether any acquisition related adjustment is appropriate, the Company takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations.
- (7) The Company excludes certain income and expenses that are not reflective of ongoing operating results. It is difficult to estimate the amount or timing of these items in advance. Although these events are reflected in the Company's GAAP financial statements, the Company excludes them in its non-GAAP financial measures because the Company believes these items may limit the comparability of ongoing operations with prior and future periods. These adjustments include amortization attributable to deferred financing costs, impairment charges related to internal-use software, expenses incurred with our proxy contest and other charges related to gain or loss contingencies. In determining whether any such adjustments is appropriate, the Company takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations.
- (8) Represents the tax effect for the related non-GAAP measure adjustments using the Company's year to date effective tax rate.
- (9) These amounts represent estimated adjustments for net interest expense, income taxes, depreciation and amortization, employee stock-based compensation expense, stock-based retailer incentive compensation expense, contingent consideration, other income and expenses and transaction costs. Employee stock-based compensation expense and stock-based retailer incentive compensation expense include assumptions about the future fair value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers).