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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2025
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 001-34819

greendot®

(Exact name of Registrant as specified in its charter)

Delaware	**95-4766827**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*
1675 N. Freedom Blvd (200 West) Building 1 **Provo, Utah 84604**	**(626) 765-2000**
(Address of principal executive offices, including zip code)	*(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s):	Name of each exchange on which registered:
Class A Common Stock, $0.001 par value	GDOT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☑
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

There were 54,890,759 shares of Class A common stock outstanding, par value $0.001 per share as of April 30, 2025.

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PART I

ITEM 1. Financial Statements

GREEN DOT CORPORATION
CONSOLIDATED BALANCE SHEETS

Assets	March 31, 2025 (unaudited)	December 31, 2024
	(In thousands, except par value)	
Current assets:		
Unrestricted cash and cash equivalents	**$ 1,772,845**	$ 1,592,391
Restricted cash	**43**	44
Investment securities available-for-sale, at fair value	**102,037**	24,152
Settlement assets	**680,007**	616,172
Accounts receivable, net	**128,644**	132,007
Prepaid expenses and other assets	**62,706**	63,424
Total current assets	**2,746,282**	2,428,190
Investment securities available-for-sale, at fair value	**2,002,247**	2,008,650
Loans to bank customers, net of allowance for credit losses of $22,356 and $17,542 as of March 31, 2025 and December 31, 2024, respectively	**38,710**	31,961
Prepaid expenses and other assets	**240,258**	242,707
Property, equipment, and internal-use software, net	**194,604**	188,363
Operating lease right-of-use assets	**10,091**	10,823
Deferred expenses	**985**	1,242
Net deferred tax assets	**102,639**	124,405
Goodwill and intangible assets	**392,069**	397,941
Total assets	**$ 5,727,885**	$ 5,434,282
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 116,449**	$ 103,765
Deposits	**4,166,873**	4,010,520
Obligations to customers	**234,879**	236,616
Settlement obligations	**77,468**	48,482
Amounts due to card issuing banks for overdrawn accounts	**—**	84
Other accrued liabilities	**91,200**	87,675
Operating lease liabilities	**2,260**	2,416
Deferred revenue	**4,797**	6,279
Income tax payable	**14,337**	6,648
Total current liabilities	**4,708,263**	4,502,485
Other accrued liabilities	**829**	1,045
Operating lease liabilities	**7,888**	8,641
Notes payable	**63,242**	48,526
Total liabilities	**4,780,222**	4,560,697
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Class A common stock, $0.001 par value; 100,000 shares authorized as of March 31, 2025 and December 31, 2024; 54,873 and 54,227 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	**55**	55
Additional paid-in capital	**408,602**	408,010
Retained earnings	**769,375**	743,602
Accumulated other comprehensive loss	**(230,369)**	(278,082)
Total stockholders' equity	**947,663**	873,585
Total liabilities and stockholders' equity	**$ 5,727,885**	$ 5,434,282

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2025	2024
	(In thousands, except per share data)	
Operating revenues:		
Card revenues and other fees	$ 375,953	$ 281,503
Cash processing revenues	113,373	106,806
Interchange revenues	47,919	50,968
Interest income, net	21,629	12,711
Total operating revenues	558,874	451,988
Operating expenses:		
Sales and marketing expenses	59,688	62,375
Compensation and benefits expenses	66,214	66,824
Processing expenses	285,317	195,666
Other general and administrative expenses	86,910	116,569
Total operating expenses	498,129	441,434
Operating income	60,745	10,554
Interest expense, net	1,386	1,457
Other (expense), net	(25,704)	(1,810)
Income before income taxes	33,655	7,287
Income tax expense	7,882	2,537
Net income	$ 25,773	$ 4,750
Basic earnings per common share:	$ 0.47	$ 0.09
Diluted earnings per common share	$ 0.47	$ 0.09
Basic weighted-average common shares issued and outstanding:	54,361	52,942
Diluted weighted-average common shares issued and outstanding:	55,282	53,270

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2025	**2024**
	(In thousands)	
Net income	**$ 25,773**	$ 4,750
Other comprehensive income		
Unrealized holding income (loss), net of tax	**29,321**	(679)
Reclassification of losses realized in net income, net of tax	**18,392**	—
Comprehensive income	**$ 73,486**	$ 4,071

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(UNAUDITED)

	Three Months Ended March 31, 2025					
	Class A Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	(In thousands)					
Balance at December 31, 2024	**54,227**	**$ 55**	**$ 408,010**	**$ 743,602**	**$ (278,082)**	**$ 873,585**
Common stock issued under stock plans, net of withholdings and related tax effects	**646**	**—**	**(2,429)**	**—**	**—**	**(2,429)**
Stock-based compensation	**—**	**—**	**3,021**	**—**	**—**	**3,021**
Net income	**—**	**—**	**—**	**25,773**	**—**	**25,773**
Other comprehensive income	**—**	**—**	**—**	**—**	**47,713**	**47,713**
Balance at March 31, 2025	**54,873**	**$ 55**	**$ 408,602**	**$ 769,375**	**$ (230,369)**	**$ 947,663**

	Three Months Ended March 31, 2024					
	Class A Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	(In thousands)					
Balance at December 31, 2023	52,816	$ 53	$ 375,980	$ 770,304	$ (286,987)	$ 859,350
Common stock issued under stock plans, net of withholdings and related tax effects	342	—	(1,400)	—	—	(1,400)
Stock-based compensation	—	—	8,625	—	—	8,625
Net income	—	—	—	4,750	—	4,750
Other comprehensive loss	—	—	—	—	(679)	(679)
Balance at March 31, 2024	53,158	$ 53	$ 383,205	$ 775,054	$ (287,666)	$ 870,646

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Operating activities		
Net income	$ 25,773	$ 4,750
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment and internal-use software	15,184	16,432
Amortization of intangible assets	5,200	5,664
Provision for uncollectible overdrawn accounts from purchase transactions	2,864	7,623
Provision for loan losses	11,127	4,788
Stock-based compensation	3,021	8,625
Losses in equity method investments	2,846	2,656
Realized loss on available-for-sale investment securities	24,497	—
Amortization of discount on available-for-sale investment securities	(513)	(563)
Impairment of long-lived assets	61	2,821
Other	(1,499)	(808)
Changes in operating assets and liabilities:		
Accounts receivable, net	499	13,193
Prepaid expenses and other assets	1,720	17,033
Deferred expenses	257	142
Accounts payable and other accrued liabilities	11,988	5,786
Deferred revenue	(1,695)	(928)
Income tax receivable/payable	7,713	2,198
Other, net	(322)	(235)
Net cash provided by operating activities	108,721	89,177
Investing activities		
Purchases of available-for-sale investment securities	(80,741)	—
Proceeds from maturities of available-for-sale securities	54,520	45,776
Proceeds from sales and calls of available-for-sale securities	287	95
Payments for property, equipment and internal-use software	(19,418)	(14,495)
Net changes in loans	(17,631)	(39,939)
Investment in TailFin Labs, LLC	—	(35,000)
Proceeds from other investments	—	39,118
Other investing activities	(474)	(81)
Net cash used in investing activities	(63,457)	(4,526)
Financing activities		
Borrowings on notes payable	14,860	—
Borrowings on revolving line of credit	—	64,000
Repayments on revolving line of credit	—	(80,000)
Taxes paid related to net share settlement of equity awards	(2,429)	(1,400)
Net changes in deposits	159,766	451,961
Net changes in settlement assets and obligations to customers	(36,586)	(86,684)
Deferred financing costs	(422)	—
Net cash provided by financing activities	135,189	347,877
Net increase in unrestricted cash, cash equivalents and restricted cash	180,453	432,528
Unrestricted cash, cash equivalents and restricted cash, beginning of period	1,592,435	686,502
Unrestricted cash, cash equivalents and restricted cash, end of period	$ 1,772,888	$ 1,119,030
Cash paid for interest	$ 2,112	$ 3,320
Cash paid for income taxes	$ 3	$ 202
Reconciliation of unrestricted cash, cash equivalents and restricted cash at end of period:		
Unrestricted cash and cash equivalents	$ 1,772,845	$ 1,118,804
Restricted cash	43	226
Total unrestricted cash, cash equivalents and restricted cash, end of period	$ 1,772,888	$ 1,119,030

See notes to unaudited consolidated financial statements

Note 1—Organization

Green Dot Corporation (“we,” “our,” or “us” refer to Green Dot Corporation and its consolidated subsidiaries) is a financial technology platform and registered bank holding company that builds banking and payment solutions to create value, retain and reward customers, and accelerate growth for businesses of all sizes. For more than two decades, we have delivered financial tools and services that address the most pressing financial needs of consumers and businesses, and that transform the way people and businesses manage and move money. Through Green Dot Bank, our wholly-owned subsidiary, we deliver a broad spectrum of financial products to consumers and businesses through our portfolio of brands, including debit, checking, credit, prepaid, and payroll cards, as well as robust money processing services, such as tax refunds, cash deposits and disbursements.

We were incorporated in Delaware in 1999 and became a bank holding company under the Bank Holding Company Act and Green Dot Bank became a member bank of the Federal Reserve System in December 2011.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America, or GAAP. We consolidated our wholly-owned subsidiaries and eliminated all significant intercompany balances and transactions.

We have also prepared the accompanying unaudited consolidated financial statements in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X and, consequently, they do not include all of the annual disclosures required by GAAP. Reference is made to our Annual Report on Form 10-K for the year ended December 31, 2024 for additional disclosures, including a summary of our significant accounting policies. There have been no material changes to our previously disclosed significant accounting policies during the three months ended March 31, 2025. In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal and recurring items, necessary for the fair presentation of our financial position, results of operations and cash flows for the interim periods presented.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. These financial statements were prepared using information reasonably available as of March 31, 2025 and through the date of this report. The accounting estimates used in the preparation of our consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained, and as our operating environment changes. Actual results may differ from these estimates due to a variety of factors, including those identified under Part II, Item 1A. "Risk Factors" in this report.

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

In December 2023, the Financial Standards Accounting Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning January 1, 2025, with early adoption permitted. We adopted this standard on January 1, 2025, which will expand our disclosures beginning with our annual consolidated financial statements for the year ended December 31, 2025, but will not have an impact on our consolidated financial results.

Accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU 2024-03 *"Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,"* which requires disclosures about specific types of expenses included in the expense captions presented on the consolidated statement of operations, as well as disclosures about selling expenses. The new guidance is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. We are currently evaluating the potential effect that the updated standard will have on our consolidated financial statement disclosures.

Note 3—Revenues

As discussed in *Note 19 — Segment Information*, we determine our operating segments based on how our chief operating decision maker manages our operations, makes operating decisions and evaluates operating performance. Within our segments, we believe that the nature, amount, timing and uncertainty of our revenue and cash flows and how they are affected by economic factors can be further illustrated based on the timing in which revenue for each of our products and services is recognized. Our products and services are only offered to customers within the United States and certain U.S. territories. The following tables disaggregate our revenues earned from external customers by each of our reportable segments:

	Three Months Ended March 31, 2025			
	Consumer Services	B2B Services	Money Movement Services	Total
Timing of recognition	(In thousands)			
Transferred point in time	$ 69,258	$ 37,544	$ 112,440	$ 219,242
Transferred over time	23,830	293,367	806	318,003
Operating revenues (1)	$ 93,088	$ 330,911	$ 113,246	$ 537,245

	Three Months Ended March 31, 2024			
	Consumer Services	B2B Services	Money Movement Services	Total
Timing of recognition	(In thousands)			
Transferred point in time	$ 70,864	$ 33,800	$ 106,043	$ 210,707
Transferred over time	27,143	200,641	786	228,570
Operating revenues (1)	$ 98,007	$ 234,441	$ 106,829	$ 439,277

(1) Excludes net interest income, a component of total operating revenues, as it is outside the scope of *ASC 606, Revenues.* Also excludes the effects of inter-segment revenues.

Revenues recognized at a point in time are comprised of interchange fees, ATM fees, overdraft protection fees, other similar accountholder transaction-based fees, and substantially all of our cash processing revenues. Revenues recognized over time consists of new card fees, monthly maintenance fees, revenue earned from gift cards and substantially all BaaS (as defined herein) partner program management service fees.

As presented on our consolidated balance sheets, we record deferred revenue for any upfront payments received in advance of our performance obligations being satisfied. These contract liabilities consist principally of unearned new card fees and monthly maintenance fees. We recognized approximately $2.3 million and $2.9 million in revenue for the three months ended March 31, 2025 and 2024, respectively, that were included in deferred revenue at the beginning of the respective periods and did not recognize any revenue during these periods from performance obligations satisfied in previous periods. Substantially all of the deferred revenue balances at the beginning of the respective periods are recognized in the first half of each year. Changes in the deferred revenue balance are driven primarily by the amount of new card fees recognized during the period, and the degree to which these reductions to the deferred revenue balance are offset by the deferral of new card fees associated with cards sold during the period.

Note 4—Investment Securities

Our available-for-sale investment securities were as follows:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(In thousands)			
March 31, 2025				
Corporate bonds	**$ 10,000**	**$ —**	**$ (30)**	**$ 9,970**
Agency bond securities	**238,184**	**—**	**(30,208)**	**207,976**
Agency mortgage-backed securities	**2,125,665**	**12**	**(262,288)**	**1,863,389**
Municipal bonds	**28,824**	**—**	**(5,875)**	**22,949**
Total investment securities	**$ 2,402,673**	**$ 12**	**$ (298,401)**	**$ 2,104,284**
December 31, 2024				
Corporate bonds	$ 10,000	$ —	$ (110)	$ 9,890
Agency bond securities	240,628	—	(38,132)	202,496
Agency mortgage-backed securities	2,121,037	3	(323,467)	1,797,573
Municipal bonds	29,116	—	(6,273)	22,843
Total investment securities	$ 2,400,781	$ 3	$ (367,982)	$ 2,032,802

As of March 31, 2025 and December 31, 2024, the gross unrealized losses and fair values of available-for-sale investment securities that were in unrealized loss positions were as follows:

	Less than 12 months		12 months or more			
	Fair value	Unrealized loss	Fair value	Unrealized loss	Total fair value	Total unrealized loss
	(In thousands)					
March 31, 2025						
Corporate bonds	**$ —**	**$ —**	**$ 9,970**	**$ (30)**	**$ 9,970**	**$ (30)**
Agency bond securities	**—**	**—**	**169,018**	**(30,208)**	**169,018**	**(30,208)**
Agency mortgage-backed securities	**85,489**	**(292)**	**1,096,475**	**(261,996)**	**1,181,964**	**(262,288)**
Municipal bonds	**—**	**—**	**22,949**	**(5,875)**	**22,949**	**(5,875)**
Total investment securities	**$ 85,489**	**$ (292)**	**$ 1,298,412**	**$ (298,109)**	**$ 1,383,901**	**$ (298,401)**
December 31, 2024						
Corporate bonds	$ —	$ —	$ 9,890	$ (110)	$ 9,890	$ (110)
Agency bond securities	—	—	202,496	(38,132)	202,496	(38,132)
Agency mortgage-backed securities	15,311	(937)	1,781,301	(322,530)	1,796,612	(323,467)
Municipal bonds	—	—	22,843	(6,273)	22,843	(6,273)
Total investment securities	$ 15,311	$ (937)	$ 2,016,530	$ (367,045)	$ 2,031,841	$ (367,982)

Our investments generally consist of highly rated securities, substantially all of which are directly or indirectly backed by the U.S. federal government, as our investment policy restricts our investments to highly liquid, low credit risk assets. As such, we have not recorded any credit-related impairment loss during the three months ended March 31, 2025 or 2024 on our available-for-sale investment securities. Unrealized losses as of March 31, 2025 and December 31, 2024 are the result of increases in interest rates relative to when they were purchased as our investment portfolio is comprised predominantly of fixed rate securities. Substantially all of the underlying securities within our investment portfolio were in an unrealized loss position as of March 31, 2025 and December 31, 2024 due to the timing of our investment purchases, as a significant portion of our investments were purchased prior to increases in interest rates by the Federal Reserve, and general volatility in market conditions.

Except as disclosed below, we do not currently intend to sell our remaining investments, and we have determined that it is more likely than not that we will not be required to sell our investments before recovery of their amortized cost bases, which may be at maturity.

Note 4—Investment Securities (continued)

In April 2025, we sold certain available-for-sales securities in order to reposition the proceeds into higher yielding assets. As a result, we recorded a realized loss of $24.5 million for the three months ended March 31, 2025 because we no longer had the intent to hold the securities until recovery of their amortized cost bases. The losses were recorded as a reduction of the amortized cost basis for each security and are reflected as a component of other expense, net on our consolidated statements of operations.

As of March 31, 2025, the contractual maturities of our available-for-sale investment securities were as follows:

	Amortized cost	Fair value
	(In thousands)	
Due in one year or less	$ 102,067	$ 102,037
Due after one year through five years	86,247	80,042
Due after five years through ten years	117,226	99,530
Due after ten years	53,824	41,642
Mortgage and asset-backed securities	2,043,309	1,781,033
Total investment securities	$ 2,402,673	$ 2,104,284

The expected payments on mortgage-backed and asset-backed securities may not coincide with their contractual maturities because the issuers have the right to call or prepay certain obligations.

Note 5—Accounts Receivable

Accounts receivable, net consisted of the following:

	March 31, 2025	December 31, 2024
	(In thousands)	
Trade receivables	**$ 43,591**	$ 35,426
Reserve for uncollectible trade receivables	**(34)**	—
Net trade receivables	**43,557**	35,426
Overdrawn accountholder balances from purchase transactions	**6,257**	5,827
Reserve for uncollectible overdrawn accounts from purchase transactions	**(1,835)**	(1,741)
Net overdrawn accountholder balances from purchase transactions	**4,422**	4,086
Accountholder fees	**2,255**	2,413
Receivables due from card issuing banks	**1,628**	1,757
Fee advances, net	**4,507**	46,588
Other receivables	**72,275**	41,737
Accounts receivable, net	**$ 128,644**	$ 132,007

Activity in the reserve for uncollectible overdrawn accounts from purchase transactions consisted of the following:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Balance, beginning of period	**$ 1,741**	$ 5,281
Provision for uncollectible overdrawn accounts from purchase transactions	**2,864**	7,623
Charge-offs	**(2,770)**	(8,761)
Balance, end of period	**$ 1,835**	$ 4,143

Note 6—Loans to Bank Customers

The following table presents total outstanding loans, gross of the related allowance for credit losses, and a summary of the related payment status:

	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Total Current or Less Than 30 Days Past Due	Total Outstanding
	(In thousands)					
March 31, 2025						
Residential	$ —	$ —	$ —	$ —	$ 7,400	$ 7,400
Commercial	—	—	—	—	2,571	2,571
Installment	—	—	—	—	6,247	6,247
Consumer	1,339	—	—	1,339	35,438	36,777
Secured credit card	485	597	2,022	3,104	4,967	8,071
Total loans	$ 1,824	$ 597	$ 2,022	$ 4,443	$ 56,623	$ 61,066
Percentage of outstanding	3.0 %	1.0 %	3.3 %	7.3 %	92.7 %	100.0 %
December 31, 2024						
Residential	$ 1	$ —	$ —	$ 1	$ 6,874	$ 6,875
Commercial	—	—	—	—	2,585	2,585
Installment	—	933	—	933	4,506	5,439
Consumer	1,668	—	—	1,668	23,868	25,536
Secured credit card	700	700	2,536	3,936	5,132	9,068
Total loans	$ 2,369	$ 1,633	$ 2,536	$ 6,538	$ 42,965	$ 49,503
Percentage of outstanding	4.8 %	3.3 %	5.1 %	13.2 %	86.8 %	100.0 %

We offer an optional overdraft protection program service on certain demand deposit account programs that allows customers who opt-in and meet certain criteria to spend up to a pre-authorized amount in excess of their available account balance. When overdrawn, the purchase related balances due on these deposit accounts are reclassified as consumer loans. Fees due from our accountholders for our overdraft service are included as a component of accounts receivable. Overdrawn balances are unsecured and considered immediately due from the customer. Also included in consumer loans are advances made to taxpayers under our tax advance program. These loan balances generally fluctuate over the first half of each year due to the seasonal nature of these advances.

A portion of our secured credit card portfolio is classified as loans held for sale. These loans are included in the long-term portion of prepaid and other assets on our consolidated balance sheets. Changes in valuation allowances are recorded as a component of other income and expenses on our consolidated statement of operations. As of March 31, 2025 and December 31, 2024, the fair value of the loans held for sale amounted to approximately $3.6 million and $3.8 million, respectively.

Nonperforming Loans

The following table presents the carrying value, gross of the related allowance for credit losses, of our nonperforming loans. See *Note 2 — Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2024 for further information on the criteria for classification as nonperforming.

	March 31, 2025	December 31, 2024
	(In thousands)	
Residential	$ 31	$ 34
Secured credit card	2,022	2,536
Total loans	$ 2,053	$ 2,570

Note 6—Loans to Bank Customers (continued)

Credit Quality Indicators

We closely monitor and assess the credit quality and credit risk of our loan portfolio on an ongoing basis. We continuously review and update loan risk classifications. We evaluate our loans using non-classified or classified as the primary credit quality indicator. Classified loans include those designated as substandard, doubtful, or loss, consistent with regulatory guidelines. Secured credit card loans are considered classified if they are greater than 90 days past due. However, our secured credit card portfolio is collateralized by cash deposits made by each accountholder in an amount equal to the user's available credit limit, which mitigates the risk of any significant credit losses we expect to incur.

The table below presents the carrying value, gross of the related allowance for credit losses, of our loans within the primary credit quality indicators related to our loan portfolio:

	March 31, 2025		December 31, 2024	
	Non-Classified	Classified	Non-Classified	Classified
	(In thousands)			
Residential	$ 7,369	$ 31	$ 6,841	$ 34
Commercial	2,571	—	2,585	—
Installment	6,247	—	5,439	—
Consumer	36,777	—	25,536	—
Secured credit card	6,049	2,022	6,532	2,536
Total loans	$ 59,013	$ 2,053	$ 46,933	$ 2,570

Allowance for Credit Losses

Activity in the allowance for credit losses on our loan portfolio consisted of the following:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Balance, beginning of period	$ 17,542	$ 11,383
Provision for loans	11,127	4,788
Loans charged off	(6,347)	(5,859)
Recoveries of loans previously charged off	34	64
Balance, end of period	$ 22,356	$ 10,376

Note 7—Equity Method Investments

On January 2, 2020, we effectuated our agreement with Walmart to jointly establish a new fintech accelerator under the name TailFin Labs, LLC (“TailFin”), with a mission to develop innovative products, services and technologies that sit at the intersection of retail shopping and consumer financial services. The entity is majority-owned by Walmart and was formed with a focus on developing tech-enabled solutions to integrate omni-channel retail shopping and financial services. We hold a 20% ownership interest in the entity, in exchange for annual capital contributions of $35.0 million per year from January 2020 through January 2024. Our final payment under this commitment was made in January 2024.

We account for our investment in TailFin under the equity method of accounting in accordance with ASC 323, Investments – Equity Method and Joint Ventures. Under the equity method of accounting, the initial investment is recorded at cost and the investment is subsequently adjusted for, among other things, its proportionate share of earnings or losses. However, given the capital structure of the TailFin arrangement, we apply the Hypothetical Liquidation Book Value ("HLBV") method to determine the allocation of profits and losses since our liquidation rights and priorities, as defined by the agreement, differ from our underlying ownership interest. The HLBV method calculates the proceeds that would be attributable to each partner in an investment based on the liquidation provisions of the agreement if the partnership was to be liquidated at book value as of the balance sheet date. Each partner’s allocation of income or loss in the period is equal to the change in the amount of net equity they are legally able to claim based on a hypothetical liquidation of the entity at the end of a reporting period compared to the beginning of that period, adjusted for any capital transactions. Based on the terms of the agreement and under the HLBV method, we are entitled to 20% of any net profits, but assume 100% of any net losses.

Note 7—Equity Method Investments (continued)

Since inception, TailFin has incurred operating expenses but has not generated any operating revenues to date. Use of capital has been primarily allocated to marketing of Walmart's deposit account program and for employee salaries and other professional services focused on developing TailFin's project initiatives. While TailFin's overall objectives have remained unchanged, it is uncertain whether any new products or services will be successfully introduced through the venture. Any future economic benefits derived from products or services developed by TailFin will be negotiated on a case-by-case basis between the parties.

As of March 31, 2025 and December 31, 2024, our net investment in TailFin amounted to approximately $125.6 million and $128.4 million, respectively, and is included in the long-term portion of prepaid expenses and other assets on our consolidated balance sheets. Based on the terms of the agreement, we recorded equity in losses attributable to TailFin of approximately $2.8 million and $3.1 million for the three months ended March 31, 2025 and 2024, respectively. These amounts are recorded as a component of other expense, net on our consolidated statements of operations.

The following table presents summarized financial information of TailFin's statements of operations.

	March 31,	
	2025	**2024**
	(In thousands)	
Interest income	**$ 1,269**	$ 1,468
Sales and marketing expenses	**(2,229)**	(3,303)
Compensation and professional services	**(1,798)**	(1,295)
Net loss	**$ (2,758)**	$ (3,130)

Refer to *Note 20 - Subsequent Event* for additional disclosure regarding our relationship with Walmart and our investment in Tailfin.

Other equity method investments

Our equity method investments also include an investment held by our bank, which amounted to $3.2 million as of March 31, 2025 and December 31, 2024. Equity in earnings from this investment for the three months ended March 31, 2025 and 2024 were not significant.

Note 8—Deposits

Deposits are categorized as non-interest bearing or interest-bearing deposit accounts as follows:

	March 31, 2025	**December 31, 2024**
	(In thousands)	
Non-interest bearing deposit accounts	**$ 4,015,312**	$ 3,905,603
Interest-bearing deposit accounts		
Checking accounts	**135,172**	89,256
Savings	**7,179**	6,270
Secured card deposits	**3,517**	3,659
Time deposits, denominations greater than or equal to $250	**3,151**	2,132
Time deposits, denominations less than $250	**2,542**	3,600
Total interest-bearing deposit accounts	**151,561**	104,917
Total deposits	**$ 4,166,873**	$ 4,010,520

Note 8—Deposits (continued)

The scheduled contractual maturities for total time deposits are presented in the table below:

	March 31, 2025
	(In thousands)
Due in 2025	$ 2,313
Due in 2026	843
Due in 2027	1,144
Due in 2028	707
Due in 2029	686
Total time deposits	$ 5,693

Note 9—Debt

Senior Unsecured Notes

In 2024 and 2025, we issued and sold senior unsecured notes (the "Notes") in an aggregate principal amount of $65 million, including $15 million during the three months ended March 31, 2025. The Notes have a five-year term, maturing September 15, 2029. The principal amounts bear interest at a fixed rate of 8.75% per annum, payable semi-annually in arrears.

Prior to March 15, 2029, we may redeem at our option, the Notes in whole or in part at any time at a redemption price equal to 100% of the outstanding principal amount to be redeemed, together with accrued but unpaid interest thereon, plus a make-whole amount. On and after March 15, 2029, we may redeem the Notes at 100% of the principal amount, plus accrued and unpaid interest thereon.

The Notes are unsecured, senior obligations and are not guaranteed by any of our subsidiaries. The Notes are junior in right of payment to existing and future secured indebtedness. As of March 31, 2025, we were in compliance with all affirmative and negative non-financial covenants thereunder. The net proceeds of the offering were used to repay outstanding indebtedness under our revolving credit facility discussed below, and for general corporate purposes.

The following table provides the outstanding long-term debt balance, at amortized cost:

	March 31, 2025	December 31, 2024
	(In thousands)	
Senior unsecured notes	**$ 65,000**	$ 50,000
Less: Unamortized discount and issuance costs	**(1,758)**	(1,474)
Notes payable, net of unamortized discount and issuance costs	**$ 63,242**	$ 48,526

2025 Revolving Facility

In February 2025, we entered into a new revolving line of credit agreement with a financial institution up to a maximum principal amount of $20 million, subject to borrowing base limitations defined under the terms of the agreement. The line of credit matures in August 2026 and will bear interest at variable market rates, but subject to a minimum rate of 6.0% per annum. Interest payments are due monthly, and accrue based on the then-outstanding principal balance. We had no outstanding balance as of March 31, 2025.

2019 Revolving Facility

In October 2019, we entered into a secured credit agreement with Wells Fargo Bank, National Association, and other lenders party thereto. The credit agreement provided for a $100.0 million five-year revolving line of credit (the "2019 Revolving Facility"), which matured in October 2024. In September 2024, the then-outstanding balance on the 2019 Revolving Facility was repaid in full, and the 2019 Revolving Facility terminated at its maturity date.

We incurred total cash interest expense on our debt during the three months ended March 31, 2025 and 2024 of approximately $1.2 million and $1.4 million, respectively.

Note 10—Income Taxes

For the three months ended March 31, 2025, we utilized the discrete effective tax rate method, treating the year-to-date period as if it was the annual period to calculate our interim income tax provision, as allowed by ASC 740-270-30-18, "*Income Taxes – Interim Reporting*." We determined we could not use the estimated annual effective tax rate method as we could not calculate a reliable estimate of the annual effective tax rate due to it being highly sensitive to minor changes in our forecasted amounts, thus generating significant variability in the estimated annual effective tax rate and distorting the customary relationship between income tax expense and pre-tax income in interim periods.

Income tax expense for the three months ended March 31, 2025 and 2024 differs from the amount computed by applying the statutory federal income tax rate to income before income taxes. The sources and tax effects of the differences are as follows:

	Three Months Ended March 31,	
	2025	2024
U.S. federal statutory tax rate	**21.0 %**	21.0 %
State income taxes, net of federal tax benefit	**3.4**	(1.4)
Foreign tax rate differential	**(0.2)**	(1.5)
General business credits	**(1.1)**	(11.5)
IRC 162(m) limitation	**(2.9)**	(3.6)
Stock-based compensation	**3.8**	22.7
Bank owned life insurance income	**(1.0)**	(2.9)
Bank owned life insurance surrender	**—**	9.3
Nondeductible expenses	**0.3**	2.6
Other	**0.1**	0.1
Effective tax rate	**23.4 %**	34.8 %

The effective tax rate for the three months ended March 31, 2025 and 2024 differs from the statutory federal income tax rate of 21%, primarily due to state income taxes, net of federal tax benefits, general business credits, stock-based compensation, nondeductible expenses, cash surrender value growth in bank owned life insurance policies, and the Internal Revenue Code (the "IRC") 162(m) limitation on the deductibility of executive compensation. The net decrease in the effective tax rate for the three months ended March 31, 2025 from the prior year comparable period was due to several factors, including a decrease of $0.7 million in the amount of compensation expense that was subject to the IRC 162(m) limitation on the deductibility of certain executive compensation, a $0.3 million decrease in tax expense associated with shortfalls from stock-based compensation, a $0.1 million decrease in tax expense due to nondeductible expenses, a decrease of $0.7 million related to our bank owned life insurance surrender penalties we incurred in connection with the surrender and restructuring of our existing bank owned life insurance policies completed in 2024, and the impact of general business credits. These decreases were partially offset by an increase of $1.3 million in state income taxes, net of federal benefits.

We have made a policy election to account for Global Intangible Low-Taxed Income ("GILTI") in the year the GILTI tax is incurred. For the three months ended March 31, 2025 and 2024, the provision for GILTI tax expense was not material to our financial statements.

We establish a valuation allowance when we consider it more-likely-than-not that some portion or all of the deferred tax assets will not be realized. As of March 31, 2025, we have a valuation allowance recorded against a portion of our unrealized loss on equity securities as we believe it is more-likely-than-not that the tax benefits related to this portion of the loss will not be realized. As of March 31, 2024, we did not have a valuation allowance on any of our deferred tax assets as we believed it was more-likely-than-not that we would realize the benefits of our deferred tax assets.

We are subject to examination by the Internal Revenue Service (the "IRS"), and various state tax authorities. We remain subject to examination of our federal income tax returns for the years ended December 31, 2017 through 2024. We generally remain subject to examination of our various state income tax returns for a period of four to five years from the respective dates that the returns were filed. The IRS initiated an examination of our 2017 U.S. federal tax return during the second quarter ended June 30, 2020, and the examination remains ongoing as of March 31, 2025. We do not expect that this examination will have a material impact on our consolidated financial statements.

Note 10—Income Taxes (continued)

As of March 31, 2025, we had federal net operating loss carryforwards of approximately $11.1 million, state net operating loss carryforwards of approximately $120.1 million, and capital loss carryforwards of approximately $0.1 million which will be available to offset future income. If not used, the federal net operating losses will expire between 2030 and 2034. Of our total state net operating loss carryforwards, approximately $62.6 million will expire between 2028 and 2044, while the remaining balance of approximately $57.5 million does not expire and carries forward indefinitely. The capital loss carryforwards will expire in 2028. The net operating losses are subject to an annual IRC Section 382 limitation, which restricts their utilization against taxable income in future periods. In addition, we have state business tax credits of approximately $22.7 million that can be carried forward indefinitely and other state business tax credits of approximately $0.3 million that will begin expiring on December 31, 2025 and continue to expire through December 31, 2027.

As of March 31, 2025 and December 31, 2024, we had a liability of $13.9 million and $12.5 million, respectively, for unrecognized tax benefits related to various federal and state income tax matters excluding interest, penalties and related tax benefits. The reconciliation of the beginning unrecognized tax benefits balance to the ending balance is as follows:

	Three Months Ended March 31,	
	2025	**2024**
	(In thousands)	
Beginning balance	**$ 12,541**	$ 12,109
Increases related to positions taken during prior years	**1,314**	1,380
Ending balance	**$ 13,855**	$ 13,489
The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate	**$ 13,301**	$ 12,980

As of March 31, 2025 and 2024, we recognized accrued interest and penalties related to unrecognized tax benefits of approximately $1.8 million and $1.4 million, respectively.

Note 11—Stockholders' Equity

Stock Repurchase Program

In February 2022, our Board of Directors authorized a $100 million increase to our stock repurchase program. As of March 31, 2025, we had an authorized $4.5 million remaining under our stock repurchase program for additional repurchases. There were no repurchases during the three months ended March 31, 2025.

Note 12—Stock-Based Compensation

We currently grant restricted stock unit awards to employees, directors and non-employee consultants under our 2010 Equity Incentive Plan and from time to time may also grant stock option awards. Through our 2010 Employee Stock Purchase Plan, employees are also able to purchase shares of our Class A common stock at a discount through payroll deductions. We have reserved shares of our Class A common stock for issuance under these plans. The total stock-based compensation expense recognized was $3.0 million and $8.6 million for the three months ended March 31, 2025 and 2024, respectively.

Restricted Stock Units

Restricted stock unit activity for awards subject to only service conditions was as follows for the three months ended March 31, 2025:

	Shares	Weighted-Average Grant-Date Fair Value
	(In thousands, except per share data)	
Outstanding at December 31, 2024	3,077	$ 12.23
Restricted stock units granted	2,232	7.81
Restricted stock units vested	(953)	14.45
Restricted stock units canceled	(277)	11.58
Outstanding at March 31, 2025	4,079	$ 9.33

Note 12—Stock-Based Compensation (continued)

Performance-Based Restricted Stock Units

Performance-based restricted stock unit activity for the three months ended March 31, 2025 was as follows:

	Shares		Weighted-Average Grant-Date Fair Value
	(In thousands, except per share data)		
Outstanding at December 31, 2024	1,569	$	12.73
Performance restricted stock units granted	111		7.83
Performance restricted stock units canceled	(864)		12.49
Outstanding at March 31, 2025	816	$	12.32

We grant performance-based restricted stock units to certain employees that are subject to the attainment of pre-established internal performance conditions, market conditions, or a combination thereof (collectively referred to herein as "performance-based restricted stock units"). The actual number of shares subject to the award is determined at the end of the performance period and may range from 0% to 200% of the target shares granted depending upon the terms of the award. Compensation expense related to these awards is recognized using the accelerated attribution method over the vesting period based on the grant date fair value of the award.

Note 13—Earnings per Common Share

The calculation of basic and diluted earnings per share ("EPS") was as follows:

	Three Months Ended March 31,			
	2025		2024	
	(In thousands, except per share data)			
Basic earnings per Class A common share				
Numerator:				
Net income	**$**	**25,773**	$	4,750
Denominator:				
Weighted-average Class A shares issued and outstanding		**54,361**		52,942
Basic earnings per Class A common share	**$**	**0.47**	$	0.09
Diluted earnings per Class A common share				
Numerator:				
Net income allocated to Class A common stockholders	**$**	**25,773**	$	4,750
Denominator:				
Weighted-average Class A shares issued and outstanding		**54,361**		52,942
Dilutive potential common shares:				
Service-based restricted stock units		**863**		259
Performance-based restricted stock units		**6**		4
Employee stock purchase plan		**52**		65
Diluted weighted-average Class A shares issued and outstanding		**55,282**		53,270
Diluted earnings per Class A common share	**$**	**0.47**	$	0.09

For the periods presented, we excluded certain restricted stock units and stock options outstanding, which could potentially dilute basic EPS in the future, from the computation of diluted EPS as their effect was anti-dilutive. Additionally, we have excluded any performance-based restricted stock units where the performance contingency has not been met as of the end of the period, or whereby the result of including such awards was anti-dilutive.

Note 13—Earnings per Common Share (continued)

The following table shows the weighted-average number of anti-dilutive shares excluded from the diluted EPS calculation:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Class A common stock		
Options to purchase Class A common stock	**—**	1,009
Service-based restricted stock units	**602**	1,278
Performance-based restricted stock units	**717**	141
Total	**1,319**	2,428

Note 14—Fair Value Measurements

Under applicable accounting guidance, fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

We determine the fair values of our financial instruments based on the fair value hierarchy established under applicable accounting guidance, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs used to measure fair value.

For more information regarding the fair value hierarchy and how we measure fair value, see *Note 2–Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2024.

As of March 31, 2025 and December 31, 2024, our assets carried at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3	Total Fair Value
March 31, 2025		(In thousands)		
Assets				
Investment securities:				
Corporate bonds	**$ —**	**$ 9,970**	**$ —**	**$ 9,970**
Agency bond securities	**—**	**207,976**	**—**	**207,976**
Agency mortgage-backed securities	**—**	**1,863,389**	**—**	**1,863,389**
Municipal bonds	**—**	**22,949**	**—**	**22,949**
Loans held for sale	**—**	**—**	**3,594**	**3,594**
Total assets	**$ —**	**$ 2,104,284**	**$ 3,594**	**$ 2,107,878**
December 31, 2024				
Assets				
Investment securities:				
Corporate bonds	$ —	$ 9,890	$ —	$ 9,890
Agency bond securities	—	202,496	—	202,496
Agency mortgage-backed securities	—	1,797,573	—	1,797,573
Municipal bonds	—	22,843	—	22,843
Loans held for sale	—	—	3,849	3,849
Total assets	$ —	$ 2,032,802	$ 3,849	$ 2,036,651

We based the fair value of our fixed income securities held as of March 31, 2025 and December 31, 2024 on quoted prices in active markets for similar assets. We had no transfers between Level 1, Level 2 or Level 3 assets or liabilities during the three months ended March 31, 2025 or 2024.

A reconciliation of changes in fair value for Level 3 assets or liabilities are not considered material to these consolidated financial statements and therefore are not presented for any of the periods presented.

Note 15—Fair Value of Financial Instruments

The following describes the valuation technique for determining the fair value of financial instruments, whether or not such instruments are carried at fair value on our consolidated balance sheets.

Short-term Financial Instruments

Our short-term financial instruments consist principally of unrestricted and restricted cash and cash equivalents, settlement assets and obligations, and obligations to customers. These financial instruments are short-term in nature, and, accordingly, we believe their carrying amounts approximate their fair values. Under the fair value hierarchy, these instruments are classified as Level 1.

Investment Securities

The fair values of investment securities have been derived using methodologies referenced in *Note 2–Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2024. Under the fair value hierarchy, our investment securities are classified as Level 2.

Loans

We determined the fair values of loans by discounting both principal and interest cash flows expected to be collected using a discount rate commensurate with the risk that we believe a market participant would consider in determining fair value. Under the fair value hierarchy, our loans are classified as Level 3.

Deposits

The fair value of demand and interest checking deposits and savings deposits is the amount payable on demand at the reporting date. We determined the fair value of time deposits by discounting expected future cash flows using market-derived rates based on our market yields on certificates of deposit, by maturity, at the measurement date. Under the fair value hierarchy, our deposits are classified as Level 2.

Debt

The fair value of the Notes is based on borrowing rates currently available to a market participant for loans with similar terms, maturity and credit risk. The carrying amount of our outstanding Notes at March 31, 2025 approximates fair value because the interest rate charged is commensurate with current market rates for issuers of similar risk. The fair value of the Notes are classified as a Level 2 liability in the fair value hierarchy.

Fair Value of Financial Instruments

The carrying values and fair values of certain financial instruments that were not carried at fair value, excluding short-term financial instruments for which the carrying value approximates fair value, at March 31, 2025 and December 31, 2024 are presented in the table below.

	March 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Financial Assets				
Loans to bank customers, net of allowance	**$ 38,710**	**$ 38,445**	$ 31,961	$ 31,705
Financial Liabilities				
Deposits	**$ 4,166,873**	**$ 4,166,560**	$ 4,010,520	$ 4,010,185

Note 16—Leases

Our leases consist of operating lease agreements principally related to our subsidiary office locations. Currently, we do not enter into any financing lease agreements. Our leases have remaining lease terms of approximately 2 years to 8 years, most of which generally include renewal options of varying terms.

Our total lease expense amounted to approximately $0.9 million for each of the three months ended March 31, 2025 and 2024. Our lease expense is generally based on fixed payments stated within the agreements. Any variable payments for non-lease components and other short term lease expenses are not considered material.

Additional Information

Additional information related to our right of use assets and related lease liabilities is as follows:

	March 31, 2025
Cash paid for operating lease liabilities (in thousands)	$ 1,034
Weighted average remaining lease term (years)	4.08
Weighted average discount rate	4.0 %

Maturities of our operating lease liabilities as of March 31, 2025 are as follows:

	Operating Leases (In thousands)
Remainder of 2025	$ 2,869
2026	3,234
2027	3,204
2028	1,673
2029	271
Thereafter	904
Total	12,155
Less: imputed interest	(2,007)
Total lease liabilities	$ 10,148

Note 17—Commitments and Contingencies

In the ordinary course of business, we are a party to various legal proceedings, including, from time to time, regulatory, supervisory, and governmental matters as well as actions which are asserted to be maintainable as class action suits, employment claims, and or enforcement actions. We review these actions on an ongoing basis to determine whether it is probable and estimable that a loss has occurred and use that information when making accrual and disclosure decisions. We have provided reserves where necessary for all claims and, based on current knowledge and in part upon the advice of legal counsel, all matters are believed to be adequately covered by insurance, or, if not covered, would not be likely to have a material adverse impact on our financial condition or results of operations. Nonetheless, given the inherent unpredictability of these matters, an adverse outcome could, from time to time, have a material adverse impact on our financial condition or results of operations.

Other Litigation and Claims

On December 18, 2019, an alleged class action entitled *Koffsmon v. Green Dot Corp., et al.*, No. 19-cv-10701-DDP-E, was filed in the United States District Court for the Central District of California, against us and two of our former officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Exchange Act for allegedly misleading statements regarding our business strategy. Plaintiff alleges that defendants made statements that were misleading because they allegedly failed to disclose details regarding our customer acquisition strategy and its impact on our financial performance. The suit is purportedly brought on behalf of purchasers of our securities between May 9, 2018 and November 7, 2019, and seeks compensatory damages, fees and costs. On October 6, 2021, the Court appointed the New York Hotel Trades Council & Hotel Association of New York City, Inc. Pension Fund as lead plaintiff, and on April 1, 2022, plaintiff filed its First Amended Complaint. Defendants filed a motion to dismiss the First Amended Complaint on May 31, 2022, and the motion was denied on March 29, 2024. The trial on these claims is currently scheduled to begin in February 2027.

Note 17—Commitments and Contingencies (continued)

On February 18, 2020, a putative shareholder derivative action entitled *Hellman v. Streit, et al.*, No. 20-cv-01572-SVW-PVC was filed, purportedly on behalf of the company, in the United States District Court for the Central District of California, against certain of our current and former officers and directors. The suit asserts claims for breach of fiduciary duty and unjust enrichment, as well as claims under Sections 10(b), 14(a) and 20(a) of the Exchange Act, based largely on the allegations made in the Koffsmon action. The Hellman action seeks to recover, among other things, unspecified compensatory damages on behalf of the company. Pursuant to a stipulated agreement between the parties, the Hellman action is stayed through the close of discovery in the Koffsmon action.

On July 15, 2024, a putative shareholder derivative action entitled *DiBlasio v. Streit, et al.*, No. 24-cv-05924 was filed, purportedly on behalf of the company, in the United States District Court for the Central District of California, against certain of our current and former officers and directors. A first amended complaint was filed on September 27, 2024. The suit asserts claims for breach of fiduciary duty, abuse of control, and unjust enrichment, as well as claims under Section 14(a) of the Exchange Act, based on the allegations made in Koffsmon action, and on the Consent Order from the Federal Reserve Board. The DiBlasio action seeks to recover, among other things, unspecified compensatory damages on behalf of the company. Pursuant to a stipulated agreement between the parties, the DiBlasio action is stayed through the close of discovery in the Koffsmon action.

Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of these matters. Given the uncertainty of litigation and the preliminary stage of these claims, we are currently unable to estimate the probability of the outcome of these actions or the range of reasonably possible losses, if any, or the impact on our results of operations, financial condition or cash flows, except as disclosed.

Other Legal Matters

We monitor the laws of all 50 states to identify state laws or regulations that apply (or may apply) to our products and services. We have obtained money transmitter licenses (or similar such licenses) where applicable, based on advice of counsel or when we have been requested to do so. If we were found to be in violation of any laws and regulations governing banking, money transmitters, electronic fund transfers, or money laundering in the United States or abroad, we could be subject to penalties or could be forced to change our business practices.

From time to time, we enter into contracts containing provisions that contingently require us to indemnify various parties against claims from third parties. These contracts primarily relate to: (i) contracts with our card issuing banks, under which we are responsible to them for any unrecovered overdrafts on accountholders' balances; (ii) certain real estate leases, under which we may be required to indemnify property owners for environmental and other liabilities, and other claims arising from our use of the premises; (iii) certain agreements with our officers, directors, and employees, under which we may be required to indemnify these persons for liabilities arising out of their relationship with us; and (iv) contracts under which we may be required to indemnify our retail distributors, suppliers, vendors and other parties with whom we have contracts against claims arising from certain of our actions, omissions, violations of law and/or infringement of patents, trademarks, copyrights and/or other intellectual property rights.

Generally, a maximum obligation under these contracts is not explicitly stated. Because the obligated amounts associated with these types of agreements are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. With the exception of overdrafts on accountholders' balances, historically, we have not been required to make payments under these and similar contingent obligations, and no liabilities have been recorded for these obligations in our consolidated balance sheets. For additional information regarding overdrafts on accountholders' balances, refer to *Note 5 — Accounts Receivable.*

Note 18—Significant Retailer and Partner Concentration

A credit concentration may exist if customers are involved in similar industries, economic sectors, and geographic regions. Our retail distributors operate in similar economic sectors, but diverse domestic geographic regions. The loss of a significant retail distributor could have a material adverse effect upon our card sales, profitability, and revenue growth.

Revenues derived from our products sold at retail distributors constituting at least 10% of our total operating revenues were as follows:

	Three Months Ended March 31,	
	2025	**2024**
Walmart	**7%**	10%

In addition, approximately 56% and 46% of our total operating revenues for the three months ended March 31, 2025 and 2024, respectively, were generated from a single BaaS partner, but without a corresponding concentration to our gross profit for the respective periods.

Note 19—Segment Information

Our Chief Operating Decision Maker (our “CODM” who is our Chief Executive Officer) organizes and manages our businesses primarily on the basis of the channels in which our product and services are offered and uses net revenue and segment profit to assess profitability, segment performance and allocate resources. Segment profit reflects each segment's net revenue less direct costs, such as sales and marketing expenses, processing expenses, transaction losses and fraud management, and customer support and related expenses. Our operations are aggregated amongst three reportable segments: 1) Consumer Services, 2) Business to Business ("B2B") Services, and 3) Money Movement Services.

Our Consumer Services segment consists of revenues and expenses derived from deposit account programs, such as consumer checking accounts, prepaid cards, secured credit cards, and gift cards that we offer to consumers (i) through distribution arrangements with more than 90,000 retail locations and thousands of neighborhood Financial Service Center locations (the "Retail channel"), and (ii) directly through various marketing channels, such as online search engine optimization, online displays, direct mail campaigns, mobile advertising, and affiliate referral programs (the "Direct channel").

Our B2B Services segment consists of revenues and expenses derived from (i) our partnerships with prominent consumer and technology companies that make our banking products and services available to their consumers, partners and workforce through integration with our banking platform (the "Banking-as-a-Service", or "BaaS channel"), and (ii) a comprehensive payroll platform that we offer to corporate enterprises (the "Employer channel") to facilitate payments for today’s workforce. Our products and services in this segment include deposit account programs, such as consumer and small business checking accounts and prepaid cards, as well as our disbursement services utilized by our partners.

Our Money Movement Services segment consists of revenues and expenses generated on a per transaction basis from our services that specialize in facilitating the movement of cash on behalf of consumers and businesses, such as money processing services and tax refund processing services. Our money processing services, such as cash deposit and disbursements, are marketed to third-party banks, program managers, and other companies seeking cash deposit and disbursement capabilities for their customers. Those customers, including our own accountholders, can access our cash deposit and disbursement services at any of the locations within our network of retail distributors and neighborhood Financial Service Centers. We market our tax-related financial services through a network of tax preparation franchises, independent tax professionals and online tax preparation providers.

Our Corporate and Other segment primarily consists of net interest income, certain other investment income earned by our bank, interest profit sharing arrangements with certain BaaS partners (a reduction of revenue), eliminations of inter-segment revenues and expenses, and unallocated corporate expenses, which include our fixed expenses such as salaries, wages and related benefits for our employees and certain third-party contractors, professional services fees, software licenses, telephone and communication costs, rent, utilities, and insurance. These costs are not considered when our CODM evaluates the performance of our three reportable segments since they are not directly attributable to any reporting segment. Non-cash expenses such as stock-based compensation, depreciation and amortization of long-lived assets, impairment charges, and other non-recurring expenses that are not considered by our CODM when evaluating our overall consolidated financial results are excluded from our

Note 19—Segment Information (continued)

unallocated corporate expenses above. We do not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

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

	Three Months Ended March 31, 2025				
	Consumer Services	B2B Services	Money Movement Services	Corporate and Other	Total
			(In thousands)		
Total segment revenues	$ 95,256	$ 341,991	$ 110,247	$ 8,470	$ 555,964
Segment expenses [1]					
Sales and marketing expenses [2]	33,298	4,016	21,403	—	58,717
Processing expenses [3]	9,182	265,516	722	—	275,420
Transaction losses and fraud management [4]	14,350	25,813	7,625	—	47,788
Customer support and related expenses [5]	4,794	19,494	1,397	—	25,685
Compensation and benefits expenses [6]	—	—	—	32,500	32,500
Other segment items [7]	—	—	2,274	23,021	25,295
Total segment expenses	61,624	314,839	33,421	55,521	465,405
Segment profit	$ 33,632	$ 27,152	$ 76,826	$ (47,051)	$ 90,559

	Three Months Ended March 31, 2024				
	Consumer Services	B2B Services	Money Movement Services	Corporate and Other	Total
			(In thousands)		
Total segment revenues	$ 100,612	$ 241,200	$ 103,150	$ 2,461	$ 447,423
Segment expenses [1]					
Sales and marketing expenses [2]	32,757	3,326	24,871	—	60,954
Processing expenses [3]	9,214	177,242	467	—	186,923
Transaction losses and fraud management [4]	21,581	32,423	7,868	—	61,872
Customer support and related expenses [5]	3,801	9,926	1,355	—	15,082
Compensation and benefits expenses [6]	—	—	—	34,416	34,416
Other segment items [7]	—	—	2,742	26,202	28,944
Total segment expenses	67,353	222,917	37,303	60,618	388,191
Segment profit	$ 33,259	$ 18,283	$ 65,847	$ (58,157)	$ 59,232

Note 19—Segment Information (continued)

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM.

(2) Sales and marketing expenses consists primarily of the commissions we pay to our retail distributors, brokers and partners, advertising and marketing expenses, and the costs of manufacturing and distributing card packages, placards and promotional materials to our retail distributors and partners, and personalized debit cards who have activated their cards.

(3) Processing expenses consist primarily of the fees charged to us by the payment networks, which processes transactions for us, any third-party card processors that maintain the records of our customers' accounts and process transaction authorizations and postings, and any third-party banks that issue or process our accounts.

(4) Transaction losses and fraud management consist primarily of losses from customer disputed transactions, unrecovered customer purchase transaction overdraft and fraud, and other losses on portfolios in our Money Movement Services segment. Fraud management consists of third-party contractors and support costs to manage risk operations.

(5) Customer support and related expenses consist of third-party contractors hired to conduct call center operations and handle routine customer service inquiries, and the related costs to support our call center operations.

(6) Compensation and benefits expenses represent the compensation and related benefits, including travel and entertainment, that we provide to our employees and third-party contractors who provide consulting support within our IT operations.

(7) Other segment items in Money Movement Services consists principally of inter-segment expenses for reload services on the Green Dot Network. Other segment items in Corporate and Other primarily consists of other unallocated corporate operating expenses, such as professional services fees, hosting and software licenses, telephone and communication costs, rent, utilities, and insurance, and elimination of inter-segment expenses.

The reconciliations of total segment revenues to total operating revenues are presented below:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Total segment revenues	$ 555,964	$ 447,423
Embedded finance commissions and processing expenses	4,427	5,100
Other income	(1,517)	(535)
Total operating revenues	$ 558,874	$ 451,988

Segment revenue adjustments represent commissions and certain processing-related costs associated with our embedded finance products and services, which are netted against revenues when evaluating segment performance, as well as certain other investment income earned by our bank, which is included in Corporate and Other.

The reconciliations of segment profit to income before incomes taxes are presented below:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Total segment profit	$ 90,559	$ 59,232
Reconciliation to income before income taxes		
Depreciation and amortization of property, equipment and internal-use software	15,184	16,432
Stock based compensation and related employer taxes	3,443	8,706
Amortization of acquired intangible assets	5,200	5,664
Impairment charges	61	6,405
Legal settlement expenses	937	5,880
Other expense	4,989	5,591
Operating income	60,745	10,554
Interest expense, net	1,386	1,457
Other (expense), net	(25,704)	(1,810)
Income before income taxes	$ 33,655	$ 7,287

Note 20—Subsequent Event

On April 29, 2025, we entered into an amendment which provides for us to continue serving as the issuing bank and program manager for the Walmart MoneyCard suite of reloadable debit card products, and entered into additional amendments pursuant to which we distribute our various products and services, including certain Green Dot-branded products and reload services through the Green Dot Network, at Walmart stores (collectively, the “Agreements”). The amended term of the Agreements expires on January 31, 2033, subject to an automatic one-year renewal provision under the terms of the arrangements. In consideration of the amended Agreements, we and the assignee of Walmart Inc. and its subsidiary parties, RNBW Ventures Inc., (“RNBW”), agreed to cause TailFin to pay RNBW a one-time, non-refundable incentive payment in the amount of $70 million, which we anticipate will be reflected as a component of equity in losses attributable to TailFin during the second quarter of 2025.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended, (the "Securities Act") and the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). All statements other than statements of historical facts are statements that could be deemed to be forward-looking statements. These statements are based on current expectations, estimates, forecasts and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "endeavors," "strives," "may" and "assumes," variations of such words and similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks, uncertainties, and assumptions that are difficult to predict, including inflation and interest rate trends and impacts and other macro-economic impacts on our business, results of operations and financial condition and governmental and our responses to such events, including those identified below, under "Part II, Item 1A. Risk Factors," and elsewhere herein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

In this Quarterly Report, unless otherwise specified or the context otherwise requires, "Green Dot," "we," "us," and "our" refer to Green Dot Corporation and its consolidated subsidiaries.

Overview

Green Dot Corporation is a financial technology platform and registered bank holding company ("BHC") that builds banking and payment solutions to create value, retain and reward customers, and accelerate growth for businesses of all sizes. For more than two decades, we have delivered financial tools and services that address the most pressing financial needs of consumers and businesses, and that transform the way people and businesses manage and move money. Through Green Dot Bank, our wholly-owned subsidiary, we deliver a broad spectrum of financial products to consumers and businesses through our portfolio of brands, including debit, checking, credit, prepaid, and payroll cards, as well as robust money processing services, such as tax refunds, cash deposits and disbursements.

Our Chief Operating Decision Maker (our "CODM" who is our Chief Executive Officer) organizes and manages our businesses primarily on the basis of the channels in which our product and services are offered and uses net revenue and segment profit to assess profitability. Segment profit reflects each segment's net revenue less direct costs, such as sales and marketing expenses, processing expenses, transaction losses and fraud management, and customer support and related expenses. Our operations are aggregated amongst three reportable segments: 1) Consumer Services, 2) Business to Business ("B2B") Services, and 3) Money Movement Services. Net interest income, certain other investment income earned by our bank, interest profit sharing arrangements with certain BaaS partners (a reduction of revenue), eliminations of inter-segment revenues and expenses, and unallocated corporate expenses that are not considered when our CODM evaluates the performance of our three reportable segments are recorded in Corporate and Other expenses. Refer to our 2024 Annual Report on Form 10-K "Part I, Item 1. Business" for more detailed information about our operations and *Note 19—Segment Information* in the notes to the accompanying unaudited consolidated financial statements.

Recent Developments

In March 2025, we announced that we had initiated a process to explore potential strategic alternatives. No assurances can be given as to the outcome or timing of the strategic review process, including without limitation that such process will result in a transaction or that any transaction, if pursued, will be successfully completed. We do not intend to disclose further developments regarding the process unless and until it is determined that further disclosure is appropriate.

We also announced in March 2025 the commencement of a CEO transition process, pursuant to which George Gresham ceased serving as our President and Chief Executive Officer, and as a member of our Board of Directors, and William I Jacobs, our Chairperson of the Board, was appointed to serve as our interim Chief Executive Officer, and Chris Ruppel, our Chief Revenue Officer, was appointed to serve as our interim President.

Consolidated Financial Results and Trends

Our consolidated results of operations for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,			
	2025	**2024**	**Change**	**%**
	(In thousands, except percentages)			
Total operating revenues	**$ 558,874**	$ 451,988	$ 106,886	23.6 %
Total operating expenses	**498,129**	441,434	56,695	12.8 %
Net income	**25,773**	4,750	21,023	442.6 %

Refer to "Segment Results" below for a summary of financial results of each of our reportable segments.

Total operating revenues

Our total operating revenues for the three months ended March 31, 2025 increased $106.9 million or 24%, over the prior year comparable period, driven primarily by higher revenues in our B2B Services segment and to a lesser extent in our Money Movement Services segment, partially offset by lower revenues earned in our Consumer Services segment. Continued growth of certain BaaS partner programs generated an increase in our total gross dollar volume and number of consolidated active accounts for the three months ended March 31, 2025 of 21% and 2%, respectively, which increased our total operating revenues year-over-year. However, as discussed below, our total operating revenues were negatively impacted by unfavorable trends and factors in our deposit account programs, driving, among other things, a reduction of approximately 3% to each of our purchase volume and number of cash transfers for the three months ended March 31, 2025, as compared to the prior year period.

In our Consumer Services segment, revenues decreased during the three months ended March 31, 2025 by 5% from the prior year comparable period. Our gross dollar volume and purchase volume each declined by 6% for the three months ended March 31, 2025, and the number of active accounts and direct deposit accounts declined by 7% and 11%, respectively. We believe these decreases in our Consumer Services segment are attributable to several factors, including macro-economic factors affecting consumer behavior and other competitive trends that have impacted acquisition at retail locations, and the non-renewal of one of our retail partner programs in a prior period. These factors had a corresponding impact on the amount of accountholder fee revenue we earn from accounts, including monthly maintenance fees, ATM fees and interchange fees. Revenues within this segment were also adversely impacted by a decrease in breakage revenue on our gift card portfolios for the comparable period.

In our B2B Services segment, revenues increased during the three months ended March 31, 2025 by 42% over the prior year comparable period. The increase was driven by strong year-over-year growth in our gross dollar volume, which increased by 26%, and to a lesser extent, growth in purchase volume, which increased by 3%, and the number of active accounts for the three months ended March 31, 2025, which increased by 13%. The growth in gross dollar volume was driven primarily by certain BaaS programs that do not generate interchange fees and resulted in a net increase in segment revenue due to higher program management service fees earned from these BaaS partners.

In our Money Movement Services segment, revenues increased during the three months ended March 31, 2025 by 7% from the prior year comparable period. This increase in revenue was driven primarily by an increase in our tax processing revenues. Although the number of tax refunds processed decreased by 14% for the three months ended March 31, 2025, as compared to the prior year period, our tax processing revenues increased due to the expansion of our taxpayer advance programs and a favorable mix-shift in the distribution channel in which the tax refund was processed. The decrease in the number of tax refunds processed is principally attributable to our online tax preparation partners. The increase in tax processing revenues was partially offset by a 3% decline in the number of cash transfers processed for the three months ended March 31, 2025 from the prior year comparable period. The decline in the number of cash transfers processed was due to a lower number of active accounts within our Consumer Services segment discussed above. The Green Dot Network is a service provider to accountholders in both our Consumer Services and B2B Services segments, as well as third-party programs. We continued to experience an increase in the number of cash transfers processed for third-party programs, which has grown steadily on a year-over-year basis, and represented the majority of our total cash transfers as of March 31, 2025.

Revenues within our Corporate and Other segment were driven primarily by net interest income earned by Green Dot Bank, which increased by 70% for the three months ended March 31, 2025, over the prior year comparable period. The increase in net interest income was primarily the result of an increase in cash from deposit programs with our partners and yields earned at the Federal Reserve, partially offset by an increase in interest shared with certain BaaS partners (a reduction of revenue).

Total operating expenses

Our total operating expenses for the three months ended March 31, 2025 increased $56.7 million, or 13%, over the prior year comparable period. The increase in our total operating expenses was driven primarily by an increase in processing expenses within our B2B Services segment, partially offset by a decrease in other general and administrative expenses, sales and marketing expenses and to a lesser extent, a decrease in compensation and benefits expenses, each as discussed in more detail below.

The increase in our processing expenses for the three months ended March 31, 2025 was driven primarily by the growth in gross dollar volume associated with certain BaaS account programs within our B2B Services segment discussed above. This increase was partially offset by lower other general and administrative expenses, which decreased during the three months ended March 31, 2025 primarily due to a decrease in overall transaction losses attributable to lower customer dispute volume across our portfolios and favorable reductions in our dispute loss rates, the settlement payment and impairment charges related to the termination of our partnership agreement to develop a new core banking system that were incurred in the first quarter of 2024 that did not recur in the current period, and lower professional services fees related to our anti-money laundering ("AML") programs, due to the completion of certain initiatives. Our sales and marketing expenses also decreased, principally due to a decrease in revenue-sharing arrangements in our tax processing business, partially offset by an increase in sales commissions from higher revenues on products subject to tiered revenue-sharing agreements in our Consumer Services segment. To a lesser extent, total operating expenses decreased due to a decrease in compensation and benefits expenses, driven primarily by a decrease in employee stock-based compensation due to forfeitures of awards from certain employees and severance benefits not recurring at the same magnitude in the current period as a result of our reduction in employee workforce in the comparable prior year period, partially offset by an increase in third-party call center support costs associated with the growth of the BaaS account programs discussed above.

Income taxes

Our income tax expense for the three months ended March 31, 2025 increased by $5.3 million, or 211%, from the prior year comparable period primarily due to an increase in our pre-taxable income, partially offset by a decrease in our effective tax rate. Our effective tax rate for the three months ended March 31, 2025 was 23.4%, a decrease from 34.8% for the prior year comparable period. The decrease in our effective tax rate was due to several factors, including the impact of general business credits, tax benefits from bank owned life insurance policies, a decrease in tax expense associated with shortfalls from stock-based compensation, a decrease in tax expense from nondeductible expenses, a reduction in the amount of compensation expense that was subject to the Internal Revenue Code (the "IRC") Section 162(m) limitation on the deductibility of certain executive compensation, and a reduction of the incremental taxes and penalties ("surrender penalties") we incurred in connection with the surrender and restructuring of our existing bank owned life insurance policies completed in 2024. These decreases in our effective tax rate were partially offset by an increase in state income taxes expense, net of federal benefits.

In December 2021, the Organization for Economic Cooperation and Development ("OECD") released model rules introducing a 15% global minimum tax rate for large multinational corporations ("Pillar Two"). Certain countries in which we operate have enacted legislation consistent with the OECD model rules effective beginning in 2024. We are monitoring legislative developments and continuing to evaluate the potential impact of Pillar Two on our consolidated financial statements, but do not expect it will have a material impact on our results of operations in future periods.

Outlook and Other Trends Affecting Our Business

While we are still experiencing a difficult macro-economic environment, competitive headwinds and other factors that have contributed to declining trends in our consolidated operating results in recent periods, excluding any impact from our strategic review process, we expect our results of operations will stabilize on a year-over-year basis in 2025 based on our anticipated initiatives and cost reduction measures we have implemented.

We intend to continue to make growth-oriented investments and incur other expenditures that we believe will benefit our long-term financial results. Our growth-oriented investments are focused on, among other things, accelerating our ability to onboard new partners in our B2B Services and Money Movement segments, adding new features and functionality to our Arc platform, cost-effectively re-engaging in strategic marketing initiatives in support of our GO2bank product and other initiatives across our account programs with the objective of returning to active account growth.

We have seen reductions in our processing expenses from our processor conversion and expect the implementation of our card management platform will allow us to continue to realize reductions in our processing expenses as we seek to expand account programs. In March 2025, we also initiated a re-alignment of teams and resources across the enterprise in a continual effort to better support our strategic priorities and growth channels, and to improve our operating efficiency. We expect this re-alignment to further improve our cost structure year-over-year.

Despite the meaningful reductions to our cost structure we have achieved across our organization through our various initiatives, we are incurring increased expenses in other areas as we conduct our strategic review process, incur or accrue for additional retention and interim officer compensation expenses and incur additional expenses in connection with our ongoing investments in our AML program, including improvements to our compliance controls, policies and procedures. We believe investments in our AML program will ultimately help us to continue to remediate matters identified in the Consent Order from the previous year, reduce our fraud losses over the long term and cost-efficiently scale our compliance and regulatory programs as we look to grow our business.

In September 2024, the Federal Reserve decreased interest rates by 50 basis points, the first rate cut in over four years, and further reduced interest rates by an additional 50 basis points during the fourth quarter of 2024. The Federal Reserve's decision-making policies for short-term interest rates will continue to impact the amount of net interest income we earn in the future. In general, while higher short-term interest rates benefit the yield we earn on our cash, certain of our BaaS partner arrangements allow for the BaaS partner to share in a significant portion of the interest earned from accountholder deposits (which are recorded as a reduction of revenue in our consolidated financial statements), and yields on our investment portfolio tend to lag interest rate increases as securities mature and proceeds are reinvested. Accordingly, the net effect has had and we expect will continue to have a negative impact on our consolidated financial statements and will be dependent upon future interest rate changes enacted by the Federal Reserve. However, we are also beginning to shift a portion of our investment securities portfolio into variable rate debt securities to improve net yields and balance the effect of our interest sharing arrangements with BaaS partners.

Further, the duration and magnitude of the continuing effects of macro-economic factors remain uncertain and dependent on various factors outside of our control. See Part II, Item 1A, "Risk Factors," for an additional discussion of risks related to macro-economic factors.

Consolidated Key Metrics

We review a number of metrics to help us monitor the performance of, and identify trends affecting, our business. We believe the following measures are the primary indicators of our quarterly and annual revenues:

	Three Months Ended March 31,			
	2025	**2024**	**Change**	**%**
		(In millions, except percentages)		
Gross dollar volume	**$ 37,252**	$ 30,755	$ 6,497	21.1 %
Number of active accounts*	**3.58**	3.51	0.07	2.0 %
Purchase volume	**$ 5,113**	$ 5,274	$ (161)	(3.1)%
Number of cash transfers	**7.51**	7.77	(0.26)	(3.3)%
Number of tax refunds processed	**7.98**	9.28	(1.3)	(14.0)%

* Represents the number of active accounts as of March 31, 2025 and 2024, respectively.

See “Segment Results” for additional information and discussion regarding key metrics performance by segment. The definitions of our key metrics are as follows:

Gross Dollar Volume — Represents the total dollar volume of funds loaded to our account products from direct deposit and non-direct deposit sources. A substantial portion of our gross dollar volume is generated from direct deposit sources. We use this metric to analyze the total amount of money moving onto our account programs, and to determine the overall engagement and usage patterns of our accountholder base. This metric also serves as a leading indicator of revenue generated through our Consumer Services and B2B Services segments, inclusive of fees charged to accountholders and interchange revenues generated through the spending of account balances.

Number of Active Accounts — Represents any bank account within our Consumer Services and B2B Services segments that is subject to the USA PATRIOT Act of 2001 compliance and, therefore, requires customer identity verification prior to use and is intended to accept ongoing customer cash or ACH deposits. This metric includes checking accounts, general purpose reloadable prepaid card accounts, and secured credit card accounts in our portfolio that had at least one purchase, deposit or ATM withdrawal transaction during the applicable quarter. We use this metric to analyze the overall size of our active customer base and to analyze multiple metrics expressed as an average across this active account base.

Our direct deposit active accounts within our Consumer Services segment, on average, have the longest tenure and generate the majority of our gross dollar volume in any period and thus, generate more revenue over their lifetime than other active accounts. Refer to sub-section entitled Consumer Services under “Segment Results” below for key metric results for direct deposit active accounts.

Purchase Volume — Represents the total dollar volume of purchase transactions made by our accountholders. This metric excludes the dollar volume of ATM withdrawals and volume generated by certain BaaS programs where the BaaS partner receives interchange fees and we earn a program management service fee. We use this metric to analyze interchange revenue, which is a key component of our financial performance.

Number of Cash Transfers — Represents the total number of cash transfer transactions conducted by consumers, such as a point-of-sale swipe reload transaction, the purchase of a MoneyPak or an e-cash mobile remittance transaction marketed under various brand names, that we conducted through our retail distributors in a specified period. This metric excludes disbursements made through our wage disbursement platform. We review this metric as a measure of the size and scale of our retail cash processing network, as an indicator of customer engagement and usage of our products and services, and to analyze cash transfer revenue, which is a key component of our financial performance.

Number of Tax Refunds Processed — Represents the total number of tax refunds processed in a specified period. The number of tax refunds processed is most concentrated during the first half of each year and is minimal during the second half of each year. We review this metric as a measure of the size and scale of our tax refund processing platform and as an indicator of customer engagement and usage of its products and services.

Key components of our results of operations

Operating Revenues

We classify our operating revenues into the following four categories:

Card Revenues and Other Fees — Card revenues consist of monthly maintenance fees, ATM fees, new card fees and other revenues. We charge maintenance fees on prepaid cards, checking accounts and certain cash transfer products, such as MoneyPak, pursuant to the terms and conditions in our customer agreements. We charge ATM fees to accountholders when they withdraw money at certain ATMs in accordance with the terms and conditions in our accountholder agreements. We charge new card fees, if applicable, when a consumer purchases a prepaid card, gift card, or a checking account product through our Retail channel. Other revenues consist primarily of revenue associated with our gift card program, annual fees associated with our secured credit card portfolio, transaction-based fees, fees associated with optional products or services, such as our overdraft protection program, and cash-back rewards we offer to accountholders. Our cash-back rewards are recorded as a reduction to card revenues and other fees. Also included in card revenues and other fees are program management service fees earned from our BaaS partners for programs we manage on their behalf.

Our aggregate monthly maintenance fee revenues vary primarily based upon the number of active accounts in our portfolio and the average fee assessed per account. Our average monthly maintenance fee per active account depends upon the mix of products in our portfolio at any given point in time and upon the extent to which fees are waived based on various incentives provided to customers in an effort to encourage higher usage and retention. Our aggregate ATM fee revenues vary based upon the number of accountholder ATM transactions and the average fee per ATM transaction. The average fee per ATM transaction depends upon the mix of products in our portfolio at any given point in time and the extent to which accountholders use ATMs within our free network that carry no fee for cash withdrawal transactions. Our aggregate new card fee revenues vary based upon the number of prepaid cards and checking accounts activated and the average new card fee. The average new card fee depends primarily upon the mix of products that we sell since there are variations in new account fees based on the product and/or the location or source where our products are purchased. The revenue we earn from each of these fees may also vary depending upon the channel in which the active accounts were acquired. For example, certain BaaS programs may not assess monthly maintenance fees and as a result, these accounts may generate lower fee revenue than other active accounts. Our aggregate other fees vary primarily based upon account sales of all types, gift card sales, purchase transactions and the number of active accounts in our portfolio.

Cash Processing Revenues — Cash processing revenues consist of cash transfer revenues, tax refund processing service revenues, disbursement revenues and other tax processing service revenues. We earn cash transfer revenues when consumers fund their cards through a reload transaction at a Green Dot Network retail location. Our aggregate cash transfer revenues vary based upon the mix of locations where reload transactions occur, since reload fees vary by location. We earn tax refund processing service revenues at the point in time when a customer of a third-party tax preparation company chooses to pay his or her tax preparation fee through the use of our tax refund processing services. We earn disbursement fees from our business partners at the point in time payment disbursements are made.

Interchange Revenues — We earn interchange revenues from fees remitted by the merchant's bank, which are based on rates established by the payment networks, at the point in time when customers make purchase transactions using our products. Our aggregate interchange revenues vary based primarily on the number of active accounts in our portfolio, the average transactional volume of the active accounts in our portfolio, the merchant category of spend, and on the mix of accountholder purchases between those using signature identification technologies and those using personal identification numbers and the corresponding rates.

Interest Income, net — Net interest income represents the difference between the interest income earned on our interest-earning assets and the interest expense on our interest-bearing liabilities held at Green Dot Bank. Interest-earning assets include cash from customer deposits, loans, and investment securities. Our interest-bearing liabilities held at Green Dot Bank include interest-bearing deposits. Our net interest income and our net interest margin fluctuate based on changes in the federal funds interest rates and changes in the amount and composition of our interest-bearing assets and liabilities.

Operating Expenses

We classify our operating expenses into the following four categories:

Sales and Marketing Expenses — Sales and marketing expenses consist primarily of the commissions we pay to our retail distributors, brokers and partners, advertising and marketing expenses, and the costs of manufacturing and distributing card packages, placards and promotional materials to our retail distributors and personalized debit cards to consumers who have activated their cards. We generally establish commission percentages in long-term distribution agreements with our retail distributors and partners. Aggregate commissions with our retail distributors are determined by the number of account products and cash transfers sold at their respective retail stores. Commissions with our partners and, in certain cases, our retail distributors are determined by the revenue generated from the ongoing use of the associated card programs. We incur advertising and marketing expenses for television, sponsorships, online and in-store promotions. Advertising and marketing expenses are recognized as incurred and typically deliver a benefit over an extended period of time. For this reason, these expenses do not always track changes in our operating revenues. Our manufacturing and distribution costs vary primarily based on the number of accounts activated by consumers.

Compensation and Benefits Expenses — Compensation and benefits expenses represent the compensation and benefits that we provide to our employees and the payments we make to third-party contractors. While we have an in-house customer service function, we employ third-party contractors to conduct call center operations, handle routine customer service inquiries and provide consulting support in the area of IT operations and elsewhere. Compensation and benefits expenses associated with our customer service and loss management functions generally vary in line with the size of our active account portfolio, while the expenses associated with other functions do not.

Processing Expenses — Processing expenses consist primarily of the fees charged to us by the payment networks, which process transactions for us, the third-party card processors that maintain the records of our customers' accounts and process transaction authorizations and postings for us and the third-party banks that issue our accounts. These costs generally vary based on the total number of active accounts in our portfolio and gross dollar volume transacted by those accounts. Also included in processing expenses are bank fees associated with our tax refund processing services and gateway and network fees associated with our disbursement services. Bank fees generally vary based on the total number of tax refund transfers processed and gateway and network fees vary based on the number of disbursements made.

Other General and Administrative Expenses — Other general and administrative expenses consist primarily of professional services fees, telephone and communication costs, depreciation and amortization of our property and equipment, amortization of our intangible assets, impairment charges of long-lived assets, transaction losses (losses from customer disputed transactions, unrecovered customer purchase transaction overdrafts and fraud), rent and utilities, and insurance. We incur telephone and communication costs primarily from customers contacting us through our toll-free telephone numbers. These costs vary with the total number of active accounts in our portfolio, as do losses from customer disputed transactions, unrecovered customer purchase transaction overdrafts and fraud. Costs associated with professional services, depreciation and amortization of our property and equipment, amortization of our acquired intangible assets, impairment charges of long-lived assets, rent and utilities vary based upon our investment in infrastructure, business development, risk management and internal controls and are generally not correlated with our operating revenues or other transaction metrics.

Other Expense, net

Other expense, net includes income and expenses we generally do not consider normal operating activities, such as earnings, losses or impairment attributable to equity method investments, realized gains or losses on investment securities, income earned on bank-owned life insurance policies, and changes in valuation allowances on loans held for sale, amongst other similar items that may arise from time to time.

Income Tax Expense

Our income tax expense consists of the federal and state corporate income taxes accrued on income resulting from the sale of our products and services. Our effective income tax rate may differ from the 21% U.S. federal statutory rate due to a number of factors, including state income taxes, general business credits, non-deductible expenses and penalties, increases or decreases in valuation allowances and liabilities for uncertain tax positions, excess tax benefits or shortfalls on stock compensation awards, audit developments, and legislative changes. See *Note 10—Income Taxes* to the Consolidated Financial Statements included herein for a discussion of the significant tax differences that impacted our effective tax rate.

Critical Accounting Estimates

There have been no material changes during the three months ended March 31, 2025 to the critical accounting estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Comparison of Consolidated Results for the Three Months Ended March 31, 2025 and 2024

Operating Revenues

The following table presents a breakdown of our operating revenues among card revenues and other fees, cash processing revenues, interchange revenues and net interest income:

	Three Months Ended March 31,			
	2025		2024	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating revenues:				
Card revenues and other fees	**$ 375,953**	**67.2 %**	$ 281,503	62.3 %
Cash processing revenues	**113,373**	**20.3**	106,806	23.6
Interchange revenues	**47,919**	**8.6**	50,968	11.3
Interest income, net	**21,629**	**3.9**	12,711	2.8
Total operating revenues	**$ 558,874**	**100.0 %**	$ 451,988	100.0 %

Card Revenues and Other Fees — Card revenues and other fees totaled $376.0 million for the three months ended March 31, 2025, an increase of $94.5 million, or 34%, from the comparable prior year period. Card revenues and other fees increased primarily due to growth in gross dollar volume in our B2B Services segment programs, which resulted in higher program management service fees earned from our BaaS partners. These increases were partially offset by decreases in accountholder fees, such as monthly maintenance fees and ATM fees, as a result of a decline in active accounts in our Consumer Services segment during the current period, and lower breakage revenue on our gift card portfolio.

Cash Processing Revenues — Cash processing revenues totaled $113.4 million for the three months ended March 31, 2025, an increase of $6.6 million, or 6%, from the comparable prior year period. Although the number of tax refunds processed decreased by 14% during the three months ended March 31, 2025, our tax processing revenues increased from the expansion of our taxpayer advance program and a favorable mix-shift in the distribution channel in which the tax refund was processed. The decrease in the number of tax refunds processed is principally attributable to our online tax preparation partners. The increase in tax processing revenues was partially offset by a 3% decline in the number of cash transfers processed during the three months ended March 31, 2025 from the prior year comparable period. The decline in the number of cash transfers processed was due to a lower number of active accounts within our Consumer Services segment.

Interchange Revenues — Interchange revenues totaled $47.9 million for the three months ended March 31, 2025, a decrease of $3.1 million, or 6%, from the comparable prior year period. The decrease was primarily due to a decrease in purchase volume of 3% during the three months ended March 31, 2025, as well as a lower effective interchange rate earned for the comparable periods. Our interchange rate declined due to a mix-shift toward categories of consumer purchases with lower effective rates. In addition, our interchange fees have both fixed and variable components, and as a result, the effective rate we earn may vary based on the size of transactions, among other factors.

Interest Income, net — Net interest income totaled $21.6 million for the three months ended March 31, 2025, an increase of $8.9 million, or 70%, from the comparable prior year period. The increase in net interest income was primarily the result of an increase in cash from deposit programs with our partners and yields earned at the Federal Reserve, partially offset by an increase in interest shared with certain BaaS partners (a reduction of revenue).

Operating Expenses

The following table presents a breakdown of our operating expenses among sales and marketing, compensation and benefits, processing, and other general and administrative expenses:

	Three Months Ended March 31,			
	2025		2024	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating expenses:				
Sales and marketing expenses	$ **59,688**	**10.7 %**	$ 62,375	13.8 %
Compensation and benefits expenses	**66,214**	**11.8**	66,824	14.8
Processing expenses	**285,317**	**51.1**	195,666	43.3
Other general and administrative expenses	**86,910**	**15.6**	116,569	25.8
Total operating expenses	$ **498,129**	**89.2 %**	$ 441,434	97.7 %

Sales and Marketing Expenses — Sales and marketing expenses totaled $59.7 million for the three months ended March 31, 2025, a decrease of $2.7 million, or 4%, from the comparable prior year period. This decrease was primarily driven by a decrease in revenue-sharing arrangements in our tax processing business, partially offset by an increase in sales commissions from higher revenues on products subject to tiered revenue-sharing agreements in our Consumer Services segment.

Compensation and Benefits Expenses — Compensation and benefits expenses totaled $66.2 million for the three months ended March 31, 2025, a decrease of $0.6 million, or 1%, from the comparable prior year period. The decrease was driven primarily by a decrease in employee stock-based compensation due to forfeitures of awards from certain employees and severance benefits not recurring at the same magnitude in the current period as a result of our reduction in employee workforce in the comparable prior year period, partially offset by an increase in third-party call center support costs associated with the growth of the BaaS account programs within our B2B Services segment.

Processing Expenses — Processing expenses totaled $285.3 million for the three months ended March 31, 2025, an increase of $89.6 million, or 46%, from the comparable prior year period. This increase was principally due to growth in gross dollar volume on certain BaaS account programs within our B2B Services segment.

Other General and Administrative Expenses — Other general and administrative expenses totaled $86.9 million for the three months ended March 31, 2025, a decrease of $29.7 million, or 25%, from the comparable prior year period. This decrease was primarily due to a decrease in overall transaction losses attributable to lower customer dispute volume across our portfolios and favorable reductions in our dispute loss rates, the settlement payment and impairment charges related to the termination of our partnership agreement to develop a new core banking system that were incurred in the first quarter of 2024 that did not recur in the current period, and lower professional services fees related to our AML programs, due to the completion of certain initiatives.

Other Expense, net

Other expense, net totaled $25.7 million for the three months ended March 31, 2025, an increase of $23.9 million, from the prior year comparable period. In April 2025, we sold certain available-for-sales securities in order to reposition the proceeds into higher yielding assets. As a result, we recorded a realized loss of $24.5 million for the three months ended March 31, 2025 because we no longer had the intent to hold the securities until recovery of their amortized cost bases. This increase was partially offset by a decrease in equity method losses in TailFin Labs, LLC due to lower marketing expenses, and higher income earned from bank-owned life insurance policies.

Income Tax Expense

The following table presents a breakdown of our effective tax rate among federal, state, and other:

	Three Months Ended March 31,	
	2025	2024
U.S. federal statutory tax rate	21.0 %	21.0 %
State income taxes, net of federal tax benefit	3.4	(1.4)
Foreign tax rate differential	(0.2)	(1.5)
General business credits	(1.1)	(11.5)
Stock-based compensation	3.8	22.7
IRC 162(m) limitation	(2.9)	(3.6)
Bank owned life insurance income	(1.0)	(2.9)
Bank owned life insurance surrender	—	9.3
Nondeductible expenses	0.3	2.6
Other	0.1	0.1
Effective tax rate	**23.4 %**	34.8 %

Our income tax expense totaled $7.9 million for the three months ended March 31, 2025, representing an increase of $5.3 million, or 211%, from the prior year comparable period, primarily due to an increase in our taxable income, partially offset by a decrease in our effective tax rate.

The decrease in our effective tax rate for the three months ended March 31, 2025 from the prior year comparable period was due to several factors, including the impact of general business credits, an increase of $0.1 million in tax benefits from bank owned life insurance policies, a decrease of $0.3 million in the tax expense associated with shortfalls from stock-based compensation, a decrease of $0.7 million in the amount of compensation expense that was subject to the IRC Section 162(m) limitation on the deductibility of certain executive compensation, a decrease of $0.1 million in tax expense due to nondeductible expenses, and a decrease of $0.7 million related to our bank owned life insurance surrender penalties we incurred in connection with the surrender and restructuring of our existing bank owned life insurance policies completed in 2024. These decreases in our effective tax rate were partially offset by an increase in state income taxes expense, net of federal benefits of $1.3 million for the three months ended March 31, 2025 .

The "Other" category in our effective tax rate consists of a variety of permanent differences, none of which were individually significant.

Segment Results

Consumer Services

The results of operations and key metrics of our Consumer Services segment for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,			
	2025	2024	Change	%
	(In thousands, except percentages)			
Financial Results				
Segment revenues	**$ 95,256**	$ 100,612	$ (5,356)	(5.3)%
Segment expenses	**61,624**	67,353	(5,729)	(8.5)%
Segment profit	**$ 33,632**	$ 33,259	$ 373	1.1 %
Key Metrics	(In millions, except percentages)			
Gross dollar volume	**$ 4,238**	$ 4,500	$ (262)	(5.8)%
Number of active accounts*	**1.80**	1.93	(0.13)	(6.7)%
Direct deposit active accounts*	**0.41**	0.46	(0.05)	(10.9)%
Purchase volume	**$ 3,127**	$ 3,339	$ (212)	(6.3)%

* Represents total number of active and direct deposit active accounts as of March 31, 2025 and 2024, respectively.

As additional supplemental information, our key metrics within our Consumer Services segment is presented on a quarterly basis as follows:

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	(In millions)				
Key Metrics					
Gross dollar volume	$ 4,238	$ 4,060	$ 3,983	$ 4,014	$ 4,500
Number of active accounts *	1.80	1.88	1.78	1.76	1.93
Direct deposit active accounts *	0.41	0.43	0.44	0.45	0.46
Purchase volume	$ 3,127	$ 3,082	$ 2,904	$ 3,036	$ 3,339

* Represents total number of active accounts as of the end of each quarter.

Segment revenues within Consumer Services for the three months ended March 31, 2025 decreased $5.4 million, or 5%, from the prior year comparable period, while our segment expenses for the three months ended March 31, 2025 decreased by $5.7 million, or 9%.

Our gross dollar volume and purchase volume each declined by 6% for the three months ended March 31, 2025, and the number of active accounts and direct deposit accounts declined by 7% and 11%, respectively, from the comparable prior year period, primarily due to each of the factors discussed above in "Overview." These factors include macro-economic factors leading to economic challenges for consumers and other competitive trends that have impacted acquisition at retail locations, as well as the non-renewal of one of our retail partner programs in a prior period. Our gross dollar volume and purchase volume decreased year-over-year by similar levels during the three months ended March 31, 2025 for the same reasons discussed above. As a result of these decreases in each of our key metrics, our monthly maintenance fee revenues, ATM fee revenues and interchange revenues decreased year-over-year. In addition, our interchange rate declined due to a mix-shift toward categories of consumer purchases with lower effective rates, as well as a decrease in breakage revenue on our gift card portfolios for the comparable period.

Segment expenses for the three months ended March 31, 2025 decreased from the comparable prior year period primarily due a decrease in overall transaction losses attributable to lower customer dispute volume across our portfolios and favorable reductions in our dispute loss rates, partially offset by an increase in sales commissions from higher revenues on products subject to tiered revenue-sharing agreements. Overall, segment profit increased for the three months ended March 31, 2025 by approximately 1%, from the prior year comparable period.

B2B Services

The results of operations and key metrics of our B2B Services segment for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,			
	2025	2024	Change	%
	(In thousands, except percentages)			
Financial Results				
Segment revenues	**$ 341,991**	$ 241,200	$ 100,791	41.8 %
Segment expenses	**314,839**	222,917	91,922	41.2 %
Segment profit	**$ 27,152**	$ 18,283	$ 8,869	48.5 %
Key Metrics	(In millions, except percentages)			
Gross dollar volume	**$ 33,014**	$ 26,255	$ 6,759	25.7 %
Number of active accounts*	**1.78**	1.58	0.20	12.7 %
Purchase volume	**$ 1,986**	$ 1,935	$ 51	2.6 %

* Represents total number of active accounts as of March 31, 2025 and 2024, respectively.

As additional supplemental information, our key metrics within our B2B Services segment is presented on a quarterly basis as follows:

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	(In millions)				
Key Metrics					
Gross dollar volume	$ 33,014	$ 31,222	$ 29,490	$ 28,116	$ 26,255
Number of active accounts*	1.78	1.79	1.68	1.65	1.58
Purchase volume	$ 1,986	$ 2,070	$ 1,983	$ 1,976	$ 1,935

* Represents total number of active accounts as of the end of each quarter.

Segment revenues within our B2B Services for the three months ended March 31, 2025 increased $100.8 million, or 42%, compared to the prior year period, while our segment expenses for the three months ended March 31, 2025 increased $91.9 million, or 41%.

Our gross dollar volume, purchase volume, and number of active accounts increased during the three months ended March 31, 2025 by 26%, 3%, and 13%, respectively, from the prior year comparable period. We have continued to experience organic growth from both new and existing users concentrated in certain BaaS programs that tend to yield higher gross dollar volume per active user but do not generate comparable levels of interchange fees. The growth in gross dollar volume from these BaaS programs resulted in a net increase in segment revenue due to higher program management service fees earned from these BaaS partners.

Segment expenses increased for the three months ended March 31, 2025 from the comparable prior year period, principally due to higher processing expenses associated with the growth of certain BaaS account programs, as well as higher third-party call center support costs as a result of an increase in gross dollar volume and the number of active accounts, partially offset by lower transaction losses due to favorable reductions in our dispute loss rates. As a result of these factors, our segment profit increased for the three months ended March 31, 2025 by approximately 49%, from the prior year comparable period. Segment profit margin increased year-over-year from improvement in our cost structure, although it was limited because certain BaaS partnerships were structured based largely on a fixed profit and, therefore, our segment profit for certain arrangements will not scale with revenue growth.

Money Movement Services

The results of operations and key metrics of our Money Movement Services segment for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,			
	2025	2024	Change	%
	(In thousands, except percentages)			
Financial Results				
Segment revenues	**$ 110,247**	$ 103,150	$ 7,097	6.9 %
Segment expenses	**33,421**	37,303	(3,882)	(10.4)%
Segment profit	**$ 76,826**	$ 65,847	$ 10,979	16.7 %
Key Metrics	(In millions, except percentages)			
Number of cash transfers	**7.51**	7.77	(0.26)	(3.3)%
Number of tax refunds processed	**7.98**	9.28	(1.30)	(14.0)%

As additional supplemental information, our key metrics within our Money Movement Services segment is presented on a quarterly basis as follows:

	2025	2024			
	Q1	Q4	Q3	Q2	Q1
	(In millions)				
Key Metrics					
Number of cash transfers	7.51	8.14	8.22	8.15	7.77
Number of tax refunds processed	7.98	0.15	0.19	4.20	9.28

Segment revenues within our Money Movement services for the three months ended March 31, 2025 increased $7.1 million, or 7%, from the comparable prior year period, while segment expenses for the three months ended March 31, 2025 decreased $3.9 million, or 10%.

The increase in segment revenues for the three months ended March 31, 2025 was driven by higher tax processing revenues despite a lower number of tax refunds processed, due to the expansion of our taxpayer advance program and a favorable mix-shift in the distribution channel in which the tax refund was processed. partially offset by lower cash transfer revenues. The decrease in the number of tax refunds processed is principally attributable to our online tax preparation partners. These increases were partially offset by a 3% decline in the number of cash transfers processed during the three months ended March 31, 2025 from the prior year comparable period. The decline in the number of cash transfers processed was due to a lower number of active accounts within our Consumer Services segment discussed above. The Green Dot Network is a service provider to accountholders in both our Consumer Services and B2B Services segments, as well as third-party programs.

Segment expenses decreased during the three months ended March 31, 2025 primarily due to a decrease in revenue-sharing arrangements in our tax processing business.

Corporate and Other

The results of operations and key metrics of our Corporate and Other segment for the three months ended March 31, 2025 and 2024 were as follows:

	Three Months Ended March 31,			
	2025	**2024**	**Change**	**%**
	(In thousands, except percentages)			
Financial Results				
Unallocated revenue and inter-segment eliminations	**$ 8,470**	$ 2,461	$ 6,009	244.2 %
Unallocated corporate expenses and inter-segment eliminations	**55,521**	60,618	(5,097)	(8.4)%
Total	**$ (47,051)**	$ (58,157)	$ 11,106	(19.1)%

Revenues within Corporate and Other are comprised of net interest income, certain other investment income earned by our bank, interest profit sharing arrangements with certain BaaS partners (a reduction of revenue) and eliminations of inter-segment revenues. Unallocated corporate expenses include eliminations of inter-segment expenses and our fixed expenses such as salaries, wages and related benefits for our employees, professional services fees, software licenses, telephone and communication costs, rent, utilities and insurance. These costs are not considered when our CODM evaluates the performance of our three reportable segments since they are not directly attributable to any reporting segment. Non-cash expenses such as stock-based compensation, depreciation and amortization of long-lived assets, impairment charges and other non-recurring expenses that are not considered by our CODM when evaluating our overall consolidated financial results are excluded from our unallocated corporate expenses above. Refer to *Note 19—Segment Information* to the Consolidated Financial Statements included herein for a summary reconciliation.

Revenues within our Corporate and Other segment were driven primarily by an increase in net interest income, which increased by 70% for the three months ended March 31, 2025, from the prior year comparable period. Net interest income increased as a result of an increase in cash from deposit programs with our partners and yields earned at the Federal Reserve, partially offset by the portion of interest shared with certain BaaS partners (a reduction of revenue).

Unallocated corporate expenses for the three months ended March 31, 2025 decreased by approximately 8%, over the prior year comparable period. The decreases were primarily due to a decrease in overall transaction losses attributable to lower customer dispute volume across our portfolios and favorable reductions in our dispute loss rates, and lower professional services fees related to our AML programs, due to the completion of certain initiatives.

Liquidity and Capital Resources

The following table summarizes our major sources and uses of cash for the periods presented:

	Three Months Ended March 31,	
	2025	2024
	(In thousands)	
Total cash provided by (used in)		
Operating activities	$ 108,721	$ 89,177
Investing activities	(63,457)	(4,526)
Financing activities	135,189	347,877
Increase in unrestricted cash, cash equivalents and restricted cash	$ 180,453	$ 432,528

For the three months ended March 31, 2025 and 2024, we financed our operations primarily through our cash flows provided by operating activities, customer funds held on deposit and borrowings from our senior unsecured notes. As of March 31, 2025, our primary source of liquidity was unrestricted cash and cash equivalents totaling $1.8 billion. We also consider our $2.1 billion of available-for-sale investment securities to be highly liquid instruments.

We use trend and variance analysis as well as our detailed budgets and forecasts to project future cash needs, making adjustments to the projections when needed. We believe that our current unrestricted cash and cash equivalents, cash flows from operations, borrowing capacity under our revolving line of credit, and net proceeds from the issuance and sale of our senior unsecured notes will be sufficient to meet our working capital, capital expenditures, and any other capital needs for at least the next 12 months. We are currently not aware of any trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in our liquidity increasing or decreasing in any material way that will impact our capital needs during or beyond the next 12 months. We continue to monitor the impact of material trends on our business to ensure our liquidity and capital resources remain appropriate throughout this period of uncertainty.

Cash Flows from Operating Activities

Our $108.7 million of net cash provided by operating activities during the three months ended March 31, 2025 was the result of $25.8 million of net income, adjusted for certain non-cash operating items of $62.8 million and increases in net changes in our working capital assets and liabilities of $20.2 million.

Our $89.2 million of net cash provided by operating activities during the three months ended March 31, 2024 was the result of $4.8 million of net income, adjusted for certain non-cash operating items of $47.2 million and increases in net changes in our working capital assets and liabilities of $37.2 million.

Cash Flows from Investing Activities

Our $63.5 million of net cash used in investing activities during the three months ended March 31, 2025 was primarily due to purchases of available-for-sale securities, net of maturities and sales, of $25.9 million, the acquisition of property and equipment of $19.4 million and net changes in loans of $17.6 million.

Our $4.5 million of net cash used in investing activities during the three months ended March 31, 2024 was primarily due to capital contributions related to the payment of the final installment of our investment commitment to TailFin Labs, LLC of $35.0 million, net changes in loans of $39.9 million, and the acquisition of property and equipment of $14.5 million, partially offset by net proceeds from maturities of available-for-sale securities of $45.9 million and the surrender of a portion of our bank-owned life insurance policies of $39.1 million.

Cash Flows from Financing Activities

Our $135.2 million of net cash provided by financing activities during the three months ended March 31, 2025 was principally the result of a net increase in customer deposits of $159.8 million partially offset by a net decrease in obligations to customers of $36.6 million. Refer to additional discussion below for our borrowings and repayments of debt.

Our $347.9 million of net cash provided from financing activities during the three months ended March 31, 2024 was principally the result of a net increase in customer deposits of $452.0 million, partially offset by a net decrease of $86.7 million in obligations to customers and repayments of $16.0 million, net of borrowings, on our revolving line of credit during the three months ended March 31, 2024.

Other Sources of Liquidity

Senior Unsecured Notes

In 2024 and 2025, we issued and sold senior unsecured notes (the "Notes") in an aggregate principal amount of $65 million. The Notes have a five-year term, maturing September 15, 2029. The principal amounts bear interest at a fixed rate of 8.75% per annum, payable semi-annually in arrears. The net proceeds of the offering were used to repay outstanding indebtedness under our revolving credit facility discussed below, and for general corporate purposes.

2025 Revolving Facility

In February 2025, we entered into a new revolving line of credit agreement with a financial institution up to a maximum principal amount of $20 million, subject to borrowing base limitations defined under the terms of the agreement. The line of credit matures in August 2026 and will bear interest at variable market rates, but subject to a minimum rate of 6.0% per annum. Interest payments are due monthly, and accrue based on the then-outstanding principal balance. We had no outstanding balance as of March 31, 2025.

2019 Revolving Facility

In October 2019, we entered into a secured credit agreement with Wells Fargo Bank, National Association, and other lenders party thereto. The credit agreement provided for a $100.0 million five-year revolving line of credit (the "2019 Revolving Facility"), which matured in October 2024. The proceeds of any borrowings under the 2019 Revolving Facility were used for working capital and other general corporate purposes, subject to the terms and conditions set forth in the credit agreement. As of September 30, 2024, the then-outstanding balance on the 2019 Revolving Facility was repaid in full, and the 2019 Revolving Facility terminated at its maturity date.

Material Cash Requirements

While the overall macro-economic environment, the effect of high inflation and interest rates, and other factors described in "Outlook and Other Trends Affecting Our Business" above have created economic uncertainty and impacted how we manage our liquidity and capital resources, we intend to continue to invest in growth and cost efficiency initiatives in the normal course of business until we reach a conclusion regarding the process we recently initiated to explore potential strategic alternatives. The amount and timing of these investments and the related cash outflows in future periods is difficult to predict and is dependent on a number of factors including the rate of change of computer hardware and software used in our business and our business outlook as a result of macro-economic uncertainties. We intend to continue to invest in new products and programs, new features for our existing products and IT infrastructure in order to scale and operate effectively to meet our strategic objectives. We expect our capital expenditures in 2025 to be lower compared to our capital expenditures in the prior year, but at similar levels compared to our annual investments in recent years. We expect to fund these capital expenditures primarily through our cash flows provided by operating activities.

We have used cash to acquire businesses and technologies and we anticipate that we may continue to do so in the future. The nature of these transactions, however, makes it difficult to predict the amount and timing of such cash requirements.

Additionally, we have made and may further make periodic cash contributions to our subsidiary bank, Green Dot Bank, to maintain its capital, leverage and other financial commitments at levels we have agreed to with our regulators. We may need to increase the size of our cash contributions to Green Dot Bank to maintain its capital, leverage and other financial commitments.

Contractual Obligations

There have been no material changes during the three months ended March 31, 2025 to our contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2024.

Capital Requirements for Bank Holding Companies

Our subsidiary bank, Green Dot Bank, is a member bank of the Federal Reserve System and our primary regulators are the Federal Reserve Board and the Utah Department of Financial Institutions. We and Green Dot Bank are subject to various regulatory capital requirements administered by the banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory actions by regulators that, if undertaken, could have a direct material effect on our financial statements. Under capital adequacy guidelines, we and Green Dot Bank must meet specific capital guidelines that involve quantitative measures of the assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Basel III rules, which were promulgated by the Federal Reserve and other U.S. banking regulators, provide for risk-based capital, leverage and liquidity standards. Under the Basel III rules, we must maintain a ratio of common equity Tier 1 capital to risk-weighted assets of at least 4.5%, a ratio of Tier 1 capital to risk-weighted assets of at least 6%, a ratio of total capital to risk-weighted assets of at least 8% and a minimum Tier 1 leverage ratio of 4.0%. Either or both of Green Dot Corporation and Green Dot Bank may qualify for and opt to use, from time to time, the community bank leverage ratio framework under the Federal Reserve’s version of the U.S. Basel III Rules. Under the community bank leverage ratio framework, a qualifying community banking organization may generally satisfy its capital requirements (and capital conservation buffer) under the U.S. Basel III rules provided that it has a Tier 1 leverage ratio greater than 9% and satisfies other applicable conditions. Green Dot Corporation and Green Dot Bank qualify for and opt into use of the community bank leverage ratio framework. We expect that Green Dot Corporation will continue to qualify for and use the community bank leverage ratio framework, and that Green Dot Bank will calculate and disclose its risk-based capital ratios and Tier 1 leverage ratio under standardized approach of the U.S. Basel III Rules.

As of March 31, 2025 and December 31, 2024, we and Green Dot Bank were categorized as "well-capitalized" under applicable regulatory standards. To be categorized as "well-capitalized," we and Green Dot Bank must maintain specific total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. There were no conditions or events since March 31, 2025 which management believes would have changed our category as "well-capitalized."

The definitions associated with the amounts and ratios below are as follows:

Ratio	Definition
Tier 1 leverage ratio	Tier 1 capital divided by average total assets
Common equity Tier 1 capital ratio	Common equity Tier 1 capital divided by risk-weighted assets
Tier 1 capital ratio	Tier 1 capital divided by risk-weighted assets
Total risk-based capital ratio	Total capital divided by risk-weighted assets

Terms	Definition
Tier 1 capital and Common equity Tier 1 capital	Includes common stock and retained earnings, adjusted for items primarily related to accumulated OCI, goodwill, deferred tax assets and intangibles.
Total capital	Tier 1 capital plus supplemental capital items such as the allowance for credit losses, subject to certain limits
Average total assets	Average total consolidated assets during the period less deductions and adjustments primarily related to goodwill, deferred tax assets and intangibles assets
Risk-weighted assets	Represents the amount of assets or exposure multiplied by the standardized risk weight (%) associated with that type of asset or exposure. The standardized risk weights are prescribed in the bank capital rules and reflect regulatory judgment regarding the riskiness of a type of asset or exposure

The actual amounts and ratios, and required "well-capitalized" minimum capital amounts and ratios at March 31, 2025 and December 31, 2024 were as follows:

	March 31, 2025			
	Amount	Ratio	Regulatory Minimum	"Well-capitalized" Minimum
	(In thousands, except ratios)			
Green Dot Corporation:				
Tier 1 leverage	**$ 792,797**	**15.1 %**	**4.0 %**	**n/a**
Common equity Tier 1 capital	**$ 792,797**	**43.2 %**	**4.5 %**	**n/a**
Tier 1 capital	**$ 792,797**	**43.2 %**	**6.0 %**	**6.0 %**
Total risk-based capital	**$ 819,276**	**44.6 %**	**8.0 %**	**10.0 %**
Green Dot Bank:				
Tier 1 leverage	**$ 388,585**	**7.6 %**	**4.0 %**	**5.0 %**
Common equity Tier 1 capital	**$ 388,585**	**29.2 %**	**4.5 %**	**6.5 %**
Tier 1 capital	**$ 388,585**	**29.2 %**	**6.0 %**	**8.0 %**
Total risk-based capital	**$ 395,390**	**29.7 %**	**8.0 %**	**10.0 %**

	December 31, 2024			
	Amount	Ratio	Regulatory Minimum	"Well-capitalized" Minimum
	(In thousands, except ratios)			
Green Dot Corporation:				
Tier 1 leverage	$ 760,571	15.0 %	4.0 %	n/a
Common equity Tier 1 capital	$ 760,571	42.6 %	4.5 %	n/a
Tier 1 capital	$ 760,571	42.6 %	6.0 %	6.0 %
Total risk-based capital	$ 782,207	43.8 %	8.0 %	10.0 %
Green Dot Bank:				
Tier 1 leverage	$ 362,697	7.3 %	4.0 %	5.0 %
Common equity Tier 1 capital	$ 362,697	28.2 %	4.5 %	6.5 %
Tier 1 capital	$ 362,697	28.2 %	6.0 %	8.0 %
Total risk-based capital	$ 370,207	28.8 %	8.0 %	10.0 %

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk is the potential for economic losses from changes in market factors such as foreign currency exchange rates, credit, interest rates and equity prices. We believe that we have limited exposure to risks associated with changes in foreign currency exchange rates, interest rates and equity prices. We have no significant foreign operations. We do not hold or enter into derivatives or other financial instruments for trading or speculative purposes.

Interest rates

While operating net interest income is a meaningful component to our consolidated operating results, we do not consider our investment portfolio to be subject to material interest rate risk since it is comprised predominantly of fixed rate securities. The composition of our portfolio is price sensitive to rate changes, which can impact unrealized gains or losses in our portfolio. However, we have the ability, liquidity and intent to hold these instruments until such securities in our portfolio recover their amortized cost bases, which may be at maturity. Our cash and cash equivalents are also subject to changes in short-term rates. The Federal Open Market Committee ("FOMC") decreased the federal funds target rate in September 2024 to a range of 4.75%-5.0%, the first rate cut in over four years, and further reduced interest rates by an additional 50 basis points during the fourth quarter of 2024. The FOMC's decision-making policies for short-term interest rates will continue to impact the amount of net interest income we earn in the future. In general, while increases in short-term interest rates benefit the yield we earn on our cash, certain of our BaaS partner arrangements allow for the BaaS partner to share in a significant portion of the interest earned from accountholder deposits (which are recorded as a reduction of revenue in our consolidated financial statements) and yields on our investment portfolio tend to lag interest rate increases as securities mature and proceeds are reinvested. Accordingly, the net effect has had and we expect will continue to have a negative impact on our consolidated financial statements and will be dependent upon future interest rate changes enacted by the Federal Reserve. However, we are also beginning to shift a portion of our investment securities portfolio into variable rate debt securities to improve net yields and balance the effect of our interest sharing arrangements with BaaS partners.

In 2024 and 2025, we issued and sold Notes in an aggregate principal amount of $65 million. The principal amounts of the Notes bear interest at a fixed rate of 8.75% per annum, payable semi-annually in arrears and maturing in September 2029. Refer to *Note 9 — Debt* to the Consolidated Financial Statements included herein for additional information. Should we require additional liquidity, our borrowings are expected to be at then current market rates of interest and may expose us to interest rate risk. Although any short-term borrowings would likely be insensitive to interest rate changes, interest expense on short-term borrowings will increase and decrease with changes in the underlying short-term interest rates.

We actively monitor our interest rate exposure and our objective is to reduce, where we deem appropriate to do so, fluctuations in earnings and cash flows associated with changes in interest rates. In order to accomplish this objective, we may enter into derivative financial instruments, such as forward contracts and interest rate hedge contracts only to the extent necessary to manage our exposure. We do not hold or enter into derivatives or other financial instruments for trading or speculative purposes.

Inflation risks

It is difficult to assess whether inflation has or will have a material effect on our business, financial condition or results of operations. Nonetheless, if our borrowing rates were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through rate increases. Our inability or failure to do so could harm our business, financial condition and results of operations. Additionally, interest rate increases may adversely impact our customers' spending levels or our customers' ability to pay outstanding amounts owed to us. However, we believe this risk is largely offset by the higher interest rate yields on our cash and investment portfolios as well as anticipated increases in consumer spending caused by inflation that would result in increased interchange revenue. Further, because the majority of our investment portfolio is subject to longer maturity dates, we believe the risk of realized losses from selling fixed income securities at a discount to the market is immaterial.

Credit and liquidity risks

We are exposed to credit and liquidity risks associated with the financial institutions that hold our cash and cash equivalents, restricted cash, available-for-sale investment securities, settlement assets due from retail distributors, third-party payment processors and other partners that collect funds and fees from our customers, and amounts due from our issuing banks for fees collected on our behalf.

We manage the credit and liquidity risks associated with our cash and cash equivalents, available-for-sale investment securities, loans and amounts due from issuing banks by maintaining an investment policy that restricts our correspondent banking relationships to approved, well-capitalized institutions and restricts investments to highly liquid, low credit risk assets. Our policy has limits related to liquidity ratios, the concentration that we may have with a single institution or issuer and effective maturity dates as well as restrictions on the type of assets that we may invest in. The management Asset Liability Committee is responsible for monitoring compliance with our Capital Asset Liability Management policy and related limits on an ongoing basis, and reports regularly to the risk committee of our Board of Directors.

Our exposure to credit risk associated with settlement assets is mitigated due to the short time period, currently an average of two days that settlement assets are outstanding. We perform an initial credit review and assign a credit limit to each new retail distributor, third-party payment processors and other partners. We monitor each partner's settlement asset exposure and its compliance with its specified contractual settlement terms on a daily basis and assess their credit limit and financial condition on a periodic basis. Our management's Enterprise Risk Management Committee is responsible for monitoring partner exposure and assigning credit limits and reports regularly to the risk committee of our Board of Directors. We continue to monitor our exposure to credit risk with our retail distributors and other business partners in light of the current macro-economic uncertainties.

ITEM 4. Controls and Procedures

Disclosure controls and procedures — Our management, with the participation of our Interim Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 13d-15(e)) at the end of the period covered by this report. Based on such evaluation of our disclosure controls and procedures, our Interim Chief Executive Officer and Chief Financial Officer have concluded that, at the end of such period, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms and is accumulated and communicated to our management, including our Interim Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Change in internal control over financial reporting — There was no material change in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the three months ended March 31, 2025 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any significant impact to our internal controls over financial reporting despite the fact that most of our employees have shifted to a remote workforce strategy in the U.S. The design of our processes and controls allows for remote execution with accessibility to secure data. We are continually monitoring and assessing our remote work environment to minimize the impact, if any, on the design and operating effectiveness on our internal controls.

Limitations on Effectiveness of Controls — Our management, including our Interim Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

PART II

ITEM 1. Legal Proceedings

Refer to *Note 17 — Commitments and Contingencies* to the Consolidated Financial Statements included herein for information regarding our legal proceedings, which information is incorporated into this Item 1 by reference.

ITEM 1A. Risk Factors

RISKS RELATED TO OUR BUSINESS

Our exploration of strategic alternatives could adversely affect our business and our stock price.

On March 10, 2025, we announced that our Board of Directors had initiated a process to explore potential strategic alternatives. The initiation of such process creates risks and uncertainties as to the outcome and timing thereof, including our potential inability to consummate any proposed strategic alternative resulting from the process due to, among other things, market, regulatory and other factors. We expect to incur additional operating expenses and may experience disruptions in our business, such as through losses of employees, accountholders, BaaS partners, retail distributors and tax preparation partners, in connection with our strategic review process or during the pendency of any transaction resulting therefrom, any of which could negatively impact our results of operations and financial condition. Additionally, any suspension of the strategic review process, or a decision not to undertake a strategic transaction following completion of the process, could have an adverse effect on the market price and trading volatility of our Class A common stock.

The loss of operating revenues from our BaaS partners and Walmart or any of our largest retail distributors as well as third-party processors or other major consumers would negatively impact our business.

A significant portion of our operating revenues are derived from our BaaS partners and the products and services sold at our largest retail distributors. Approximately 56% of our total operating revenues for the three months ended March 31, 2025 was generated from a single BaaS partner. Additionally, as a percentage of total operating revenues, operating revenues derived from products and services sold at the store locations of Walmart was approximately 7% for the three months ended March 31, 2025, respectively. We expect that both Walmart and our largest BaaS partner will continue to have a significant impact on our operating revenues in future periods. It would be difficult to replace these operating revenues. Accordingly, any significant reduction in transaction volume or customers' spending levels through Walmart or our largest BaaS partner, for any reason, including macroeconomic conditions or non-renewal of existing contracts, would negatively impact our business and results of operations. In addition, any publicity associated with the loss of any of our large retail distributors, significant BaaS partner or third-party processors could harm our reputation, making it more difficult to attract and retain consumers, BaaS partners, third-party processors and other retail distributors, and could lessen our negotiating power with our remaining and prospective retail distributors, BaaS partners and third-party processors.

The term of our Walmart MoneyCard agreement (which governs the MoneyCard program) expires on January 31, 2033, unless renewed under its automatic renewal provision, which provides for a one-year extension. Our contracts with Walmart and our other largest retail distributors can in limited circumstances, such as our material breach or insolvency or, in the case of Walmart, our failure to meet agreed-upon service levels, certain changes in control, and our inability or unwillingness to agree to requested pricing changes, be terminated by these retail distributors on relatively short notice. There can be no assurance that we will be able to continue our relationships with our largest retail distributors, BaaS partners or third-party processors on the same or more favorable terms in future periods or that our relationships will continue beyond the terms of our existing contracts with them. Our operating revenues and results of operations could be negatively impacted if, among other things, any of our largest retail distributors, BaaS partners or third-party processors renegotiates, terminates or fails to renew, or to renew on similar or favorable terms, its agreement with us or otherwise chooses to modify the level of support it provides for our products.

Our base of tax preparation partners is concentrated, and the performance of our Money Movement Services segment depends in part on our ability to retain existing partners.

If one or more of our major tax preparation partners were to substantially reduce or stop offering our services to their customers, our tax refund processing services business, a component of our Money Movement Services segment, would be negatively impacted. Substantially all the revenues we generate from our tax refund processing services business have come from sales through a relatively small number of tax preparation firms. We do not have long-term contractual commitments from most of our current tax preparation partners and our tax preparation partners for any reason may elect to not renew their contracts with us with little or no advance notice. As a result, we cannot be certain that any of our current tax preparation partners will continue to partner with us past the terms in their current agreements. A termination of our relationships with certain tax preparation partners that provide commercial tax preparation software would result in lost revenue and the loss of the ability to secure future relationships with new or existing tax preparation firms that use such tax software.

Our future success depends upon the active and effective promotion of our products and services by our BaaS partners, retail distributors and tax preparation partners.

Most of our operating revenues are derived from program management service fees that we earn from our BaaS partners and products and services sold at the stores of our retail distributors. In addition, the revenues we generate from our tax refund processing services are largely derived from products and services sold through retail tax preparation businesses and income tax software providers. Revenues from our BaaS partners, retail distributors and tax preparation partners depend on a number of factors outside our control and may vary from period to period. Our program management service fees depend upon the success of our BaaS partners' efforts to promote their own products and services which incorporate our products and services. Additionally, because we compete with many other providers of products and services for placement and promotion of products in the stores of our retail distributors or in conjunction with the delivery of tax preparation services by our tax preparation providers, our success depends on the willingness of our retail distributors and tax preparation partners to promote our products and services successfully. In general, our contracts with these third parties allow them to exercise significant discretion over the placement and promotion of our or their products and services, and for a variety of reasons they could give higher priority to other products or services they are offering or the products and services of other companies. Accordingly, losing the commitment of our BaaS partners, retail distributors and tax preparation partners might limit or reduce program management service fees and the sales of our products and services. Our operating revenues and operating expenses may also be negatively affected by the operational decisions of our BaaS partners, retail distributors and tax preparation partners. For example, if a retail distributor reduces shelf space for our products or implements changes in its systems that disrupt the integration between its systems and ours, our product sales could be reduced or decline, and we may incur additional merchandising costs to ensure our products are appropriately stocked. Similarly, for a variety of reasons, many of our tax preparation partners that provide commercial income tax preparation software offer their customers several alternatives for tax refund processing services, including those of our competitors. Even if our BaaS partners, retail distributors and tax preparation partners actively and effectively promote our or their products and services, there can be no assurance that their efforts will maintain or result in growth of our operating revenues.

Future revenue growth depends on our ability to retain and attract new BaaS partners and long-term users of our products.

Our ability to increase account usage and accountholder retention and to attract new BaaS partners and long-term users of our products can have a significant impact on our operating revenues. We may be unable to generate increases in account usage, accountholder retention or attract new BaaS partners and long-term users of our products due to a number of reasons, including if we are unable to maintain our existing distribution channels, accurately predict consumer preferences or industry changes and modify our products and services on a timely basis in response thereto, produce new features and services that appeal to existing and prospective customers, and influence accountholder behavior through accountholder retention and usage incentives. Our results of operations could vary materially from period to period based on the degree to which we are successful in increasing usage and retention and attracting new BaaS partners and long-term users of our products.

Seasonal fluctuations in the use of our products and services impact our results of operations and cash flows.

Our results of operations and cash flows vary from quarter to quarter, and periodically decline, due to the seasonal nature of the use of our products and services. For example, our results of operations for the first half of each year have been favorably affected by large numbers of taxpayers electing to receive their tax refunds via direct deposit on our accounts, which caused our operating revenues to be typically higher in the first half of those years than they were in the corresponding second half of those years. Our tax refund processing services business is also highly seasonal as it generates the substantial majority of its revenue in the first quarter, and substantially all of its revenue in the first half of each calendar year. To the extent that seasonal fluctuations become more pronounced, or are not offset by other factors, our results of operations and cash flows from operating activities could fluctuate materially from period to period.

The industries in which we compete are highly competitive.

The industries in which we compete are highly competitive and subject to rapid and significant changes. We compete against companies and financial institutions across the retail banking, financial services, transaction processing, consumer technology and financial technology services industries, and may compete with others in the market who may in the future provide offerings similar to ours, particularly vendors which provide program management and other services though a platform similar to our banking platform. These and other competitors in the banking and electronic payments industries are introducing innovative products and services that directly compete or may compete with ours. We expect that this competition will continue as banking and electronic payments industries continue to evolve, particularly if non-traditional payments processors and other parties gain greater market share in these industries. If we are unable to differentiate our products and platform from and/or successfully compete with those of our competitors, our revenues, results of operations, prospects for future growth and overall business could be negatively impacted.

Many existing and potential competitors are entities substantially larger in size, more highly diversified in revenue and substantially more established with significantly more broadly known brand awareness than ours. As such, many of our competitors can leverage their size, robust networks, financial wherewithal, brand awareness, pricing power and technological assets to compete with us. Additionally, some of our current and potential competitors are subject to fewer regulations and restrictions than we are, and thus may be able to respond more quickly in the face of regulatory and technological changes.

We are also experiencing competition as a result of competitors offering free or low-cost alternatives to our products and services. Digital-centric financial services platforms have continued to gain market share through the marketing of their largely free bank account offerings. To the extent these competitors continue to take market share at our expense, we expect that the purchase and use of our products and services would decline. In order to compete across the markets served by our Consumer Services and Money Movement Services segments, we may have to increase the incentives that we offer to our retail distributors and our tax preparation partners, or directly to consumers, and decrease the prices of our products and services, any of which would likely negatively impact our results of operations.

We may not keep pace with the rapid technological developments in the industries in which we compete and the larger electronic payments industry.

The electronic payments industry is subject to rapid and significant technological changes. We cannot predict the effect of technological changes on our business. We rely in part on third parties for the development of, and access to, new technologies. We expect that new services and technologies applicable to our industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently utilize in our products and services. Additionally, we may make future investments in, or enter into strategic alliances to develop, new technologies and services or to implement infrastructure change to further our strategic objectives, strengthen our existing businesses and remain competitive. However, our ability to develop or transition to new services and technologies may be inhibited by a lack of industry-wide standards, by difficulties encountered in our development of new services and technologies, by resistance from our retail distributors, BaaS partners, third-party processors or consumers to these changes, by the intellectual property rights of third parties or our reliance on certain third-party service providers. Investments in new services and technologies or enhancements are inherently risky, and may not be successful or may have a negative impact on our business, financial condition and results of operations.

Fraudulent and other illegal activity involving our products and services could negatively impact our financial position and results of operations.

Criminals are using increasingly sophisticated methods to engage in illegal activities using deposit account products (including demand deposit accounts and prepaid cards), reload products, or customer information and may see their effectiveness enhanced by the use of Artificial Intelligence. Illegal activities involving our products and services often include malicious social engineering schemes. This transaction fraud has negatively impacted and is expected to continue to impact many financial services companies including us in relation to our products.

Illegal activities may also include fraudulent payment or refund schemes and identity theft. We rely upon third parties for transaction processing services, which subjects us and our customers to risks related to the vulnerabilities of those third parties. A single significant incident of fraud, or increases in the overall level of fraud, involving our deposit account products, and other products and services, have in the past and could in the future, result in reputational damage to us in addition to losses. Such damage could reduce the use and acceptance of our deposit account products and other products and services, cause retail distributors to cease doing business with us, or lead to greater regulation that would increase our compliance costs. Fraudulent activity could also result in the imposition of regulatory sanctions, including significant monetary fines, which could negatively impact our business, results of operations and financial condition.

To address the challenges that we face with respect to fraudulent activity, we have implemented risk control mechanisms that have made it more difficult for all customers, including legitimate customers, to obtain and use our products and services. We believe it is likely that our risk control mechanisms may continue to negatively impact our new account and card activations for the foreseeable future and that our operating revenues may be negatively impacted as a result. Further, implementing such risk control mechanisms can be costly and has and we expect will continue to negatively impact our operating margins as we continuously seek to enhance our risk controls. Disputes, threats of litigation or other types of remediation over how we address actual or suspected fraudulent activity involving our products and services could be costly to resolve and could also negatively impact new account and card activations.

We are exposed to losses from customer accounts.

Fraudulent activity involving our products may lead to customer disputed transactions, for which we may be liable under banking regulations and payment network rules. Our fraud detection and risk control mechanisms may not prevent all fraudulent or illegal activity. To the extent we incur losses from disputed transactions, our business, results of operations and financial condition could be negatively impacted. Additionally, our accountholders who opt-in to optional overdraft protection programs we offer can incur charges in excess of the funds available in their accounts, and we may become liable for these overdrafts. Additionally, for accountholders who are not enrolled or do not meet the eligibility requirements of these programs, we generally decline authorization attempts for amounts that exceed the available accountholder’s balance, however, the application of card association rules, the timing of the settlement of transactions and the assessment of the account’s monthly maintenance fee, among other things, can still result in overdrawn accounts. Our overdraft exposure in these instances arises primarily from late-posting. A late-post occurs when a merchant posts a transaction within a payment network-permitted time frame, but subsequent to our release of the authorization for that transaction, as permitted by card association rules. Under card association rules, we may be liable for the transaction amount even if the accountholder has made additional purchases in the intervening period and funds are no longer available in the account at the time the transaction is posted.

We maintain reserves to cover the risk that we may not recover these amounts due from our accountholders, but our exposure may increase above these reserves for a variety of reasons, including our failure to predict the actual recovery rate accurately. To the extent we incur losses from overdrafts above our reserves or we determine that it is necessary to increase our reserves substantially, our business, results of operations and financial condition could be negatively impacted.

We face settlement risks from our retail distributors and banking partners, which may increase during an economic recession.

A large portion of our business is conducted through retail distributors that sell our products and services to consumers at their store locations or other banking partners that collect funds and fees from our customers on our behalf. Our retail distributors and banking partners collect funds from the consumers who purchase our products and services and then must remit these funds directly to our subsidiary bank. While the remittance of these funds by the retail distributor or banking partner takes on average two business days, we have in the past and may in the future experience lengthy delays. Such delays or refusal to pay exposes us to increased settlement risk. If a retail distributor or other banking partner becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to remit proceeds to our card issuing bank from the sales of our products and services, we are liable for any amounts owed to our customers. As of March 31, 2025, we had assets subject to settlement risk of $680.0 million. Given the possibility of recurring volatility in global financial markets, the approaches we use to assess and monitor the creditworthiness of our retail distributors or other banking partners may be inadequate, and we may be unable to detect and take steps to mitigate an increased credit risk in a timely manner. Economic recessions could result in settlement losses, whether or not directly related to our business. We are not insured against these risks. Significant settlement losses could have a negative impact on our business, results of operations and financial condition.

Worsening economic conditions, high rates of inflation, or other potential causes of economic distress could negatively impact our business and financial results.

Global and macro-economic factors have resulted and may continue to result in high inflation rates, interest rates, or unemployment rates, leading to economic challenges for consumers and our retail distributors and other partners as well as reduced transaction and spending volumes on accounts. Additionally, these effects increase the settlement risk from our retail distributors and banking partners and could cause us to experience contraction in the number of locations within our network of retail distributors due to store closures or other developments, with attendant negative impacts to our operating revenues and results of operations. If current market conditions persist or deteriorate, we may decide to adjust pricing to account for an increasing cost of funds and increased credit risk, and thereby erode our margins and negatively impact our future financial performance and the price of our Class A common stock. Additionally, significant inflationary pressure increases borrowing rates, and we may not be able to fully offset such higher costs through rate increases. Our inability or failure to do so could negatively impact our business, financial condition and results of operations. Additionally, increased interest rates may negatively impact our customers' spending levels or our customers' ability to pay outstanding amounts owed to us.

Please see "Quantitative and Qualitative Disclosures about Market Risk" for more information regarding the potential impact of the various market risks on our business.

Economic, political and other conditions may negatively impact trends in consumer spending.

The electronic payments industry, including the prepaid and debit card financial services segment within that industry, depends heavily upon the overall level of consumer spending. Economic recessions have resulted and may continue to result in decreased consumer spending and may also result in us experiencing a reduction in the number of our accounts that are purchased or reloaded, the number of transactions involving our cards and the use of our reload network and related services. A sustained reduction in the use of our products and related services, either as a result of a general reduction in consumer spending or as a result of a disproportionate reduction in the use of card-based payment systems, would negatively impact our business, results of operations and financial condition.

We must be able to operate and scale our technology effectively.

Our ability to continue to provide our products and services to network participants, as well as to enhance our existing products and services and offer new products and services, is dependent on our information technology systems. If we are unable to manage and scale the technology associated with our business effectively, we could experience increased costs, reductions in system availability and losses of our network participants. Any failure of our systems in scalability and functionality would negatively impact our business, financial condition and results of operations.

We make significant investments in products and services that may not be successful.

Our prospects for growth depend on our ability to innovate by offering new, and adding value to our existing, product and service offerings and on our ability to effectively commercialize such innovations. While we will continue to make investments in research, development, and marketing for new products and services, if customers do not perceive our new offerings as providing significant value, they may fail to accept our new products and services, which would negatively impact our operating revenues. We may not achieve significant operating revenues from new product and service investments for a number of years, if at all. Moreover, new products and services may not be profitable, and even if they are profitable, operating margins for new products and services may not be as high as the margins we have experienced in the past.

Our business could be negatively impacted if there is a decline in the use of prepaid cards or demand deposit accounts as a payment mechanism or there are adverse developments with respect to the financial services industry in general.

As the financial services industry evolves, consumers may find prepaid financial services or demand deposit accounts to be less attractive and demand for such services and accounts could decline. Consumers might not use prepaid financial services or demand deposit accounts for any number of reasons, including the general perception of our industry, new technologies, a decrease in our distribution partners' willingness to sell these products as a result of a more challenging regulatory environment or other factors outside of our control. If consumers do not continue or increase their usage of prepaid cards or demand deposit accounts, including making changes in the way such products are funded, our operating revenues may decline. Any projected growth for the industry may not occur or may occur more slowly than estimated. If there is a shift in the mix of payment forms, such as cash, credit cards, traditional debit cards and prepaid cards, away from our products and services, it could have a negative impact on our financial position and results of operations.

RISKS RELATED TO OUR OPERATIONS

Our business is dependent on the efficient and uninterrupted operation of computer network systems and data centers, including third party systems.

Our ability to provide reliable service to customers and other network participants depends on the efficient and uninterrupted operation of our computer network systems and data centers as well as those of our retail distributors, network acceptance members and third-party processors. Our business involves the movement of large sums of money, the processing of large numbers of transactions and the management of the data necessary to do both. Our success in our account programs, including our BaaS programs, as well as our services within our Money Movement Services segment, depends upon the efficient and error-free handling of the money that is collected, remitted or deposited in connection with the provision of our products and services. We rely on the ability of our employees, systems and processes and those of the banks that issue our cards, our retail distributors, tax refund preparation partners, other business partners and third-party processors to process and facilitate these transactions in an efficient, uninterrupted and error-free manner. Their failure to do so could negatively impact our operating revenues and results of operations, particularly during the tax season, when we derive substantially all of our operating revenues for our tax refund processing services and a significant portion of our other operating revenues.

Our systems and the systems of third-party processors are susceptible to outages and interruptions including due to fire, natural disaster, cyber-attacks, power loss, telecommunications failures, software or hardware defects, terrorist attacks, pandemics and similar events. We use both internally developed and third-party systems, including cloud computing and storage systems, for our services and certain aspects of transaction processing. Interruptions in our service may result for a number of reasons. Additionally, the data center hosting facilities that we use could be closed without adequate notice or experience unanticipated problems resulting in lengthy interruptions in our service. Moreover, as we continue to add cloud-based solutions or additional capacity to our existing data centers, we could experience problems transferring customer accounts and data, impairing the delivery of our service.

Our technology platforms continue to evolve as we regularly invest in enhancing our systems. As a result, some customers have in the past and may in the future experience disruptions in service despite significant investments in planning and testing on the part of us and our technology partners. In addition, the implementation of technological changes could cause significant disruptions to our customers and our business and may cause processing errors.

Any damage to, or failure of, or delay in our processes or systems generally, or those of our vendors (including as a result of disruptions at our third-party data center hosting facilities and cloud providers), or an improper action by our employees, agents or third-party vendors, could result in interruptions in our service, causing customers, retail distributors and other partners to become dissatisfied with our products and services or obligate us to issue credits or pay fines or other penalties to them. Sustained or repeated process or system failures have in the past and could in the future reduce the attractiveness of our products and services, including our banking platform, and could result in contract terminations, thereby reducing operating revenue and negatively impact our results of operations and could result in additional regulatory actions and/or fines and penalties. Further, negative publicity arising from these types of disruptions could damage our reputation and may negatively impact use of our products and services, including our banking platform, and negatively impact our ability to attract new customers and business partners. Additionally, some of our contracts with retail distributors, including our contract with Walmart, contain service level standards pertaining to the operation of our systems, and provide the retail distributor with the right to collect damages and to potentially terminate its contract with us for system downtime exceeding stated limits. If we face system interruptions or failures, our business interruption insurance may not be adequate to cover the losses or damages that we incur. In addition, our insurance costs may also increase substantially in the future to cover the costs our insurance carriers may incur.

A cyber-attack, incident or security breach could expose us to liability and protracted and costly litigation, regulatory penalties, and could negatively impact our reputation and operating revenues.

We and our retail distributors, tax preparation partners, network acceptance members, third-party processors and the merchants that accept our cards receive, transmit and store confidential customer and other information, including personal information, in connection with the sale and use of our products and services. Despite the encryption software and the other technologies and systems we use to provide security for storage, processing and transmission of confidential customer and other information these technologies or systems have been, and continue to be, vulnerable to cyber-attacks, incidents and data security breaches by third parties and we have experienced, and may in the future experience, attacks, incidents and breaches that circumvent our security measures. The risk of unauthorized circumvention of our security measures has been heightened by advances in computer capabilities and the increasing sophistication of hackers, including state sponsored hackers. Our retail distributors, tax preparation partners, network acceptance members, other business partners, third-party processors and the merchants that accept our cards also may experience similar cyber-attacks, incidents or security breaches or discover securities vulnerabilities involving the receipt, transmission and storage of our confidential customer and other information. Improper access to our or these third parties' systems or databases could result in the theft, publication, deletion or modification of confidential customer and other information.

A data security breach of the systems on which sensitive accountholder or other customer or end-customer data and account information are stored have led, and could in the future lead, to fraudulent activity involving our products and services, reputational damage and claims, and could lead to regulatory actions, including penalties, against us. Further, a cyber-attack or other incident could go undetected and persist in our systems for extended periods. Regardless of whether or not we are sued or face regulatory actions, a breach will require us to carefully assess the materiality of a cyber-attack or other incident. Depending on the nature and magnitude of the accessed data, this effort may require substantial resources. If we are sued in connection with any data security breach, we could be involved in protracted and costly litigation and might be forced to pay damages and/or change our business practices, any of which could have a negative impact on our operating revenues and profitability. We would also likely have to pay (or indemnify the banks that issue our products and services which includes cards) fines, penalties and/or other assessments imposed by Visa or Mastercard as a result of any data security breach. Further, a significant data security breach could lead to additional regulation, which could impose new and costly compliance obligations. In addition, a data security breach or perceived security vulnerability at any of the third-party banks that issue our cards or at any of our retail distributors, tax preparation partners, network acceptance members, other business partners, third-party processors or the merchants that accept our cards could result in significant reputational harm to us and cause the use and acceptance of our cards or other products and services to decline, either of which could have a significant adverse impact on our operating revenues and future growth prospects. Moreover, it may require substantial financial resources to address and remediate any such breach, including additional costs for hiring an external party to conduct a forensic investigation, replacement cards, manufacturing, distribution, re-stocking fees, fraud monitoring, and other added security measures, among others, which could have a significant adverse impact on our operating results.

Additionally, we cannot be certain that our insurance coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, that insurance will continue to be available to us on reasonable terms, or that any insurer will not deny coverage as to any future claim. The assertion of large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or large deductible or co-insurance requirements, could have a negative impact on our business, including our financial condition, operating results, and reputation.

Failure to maintain satisfactory compliance with certain privacy and data protection laws and regulations may subject us to substantial negative financial consequences, civil or criminal penalties and business reputation risk.

Complex existing and emerging local, state, and federal laws and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal information. These privacy laws and regulations are quickly evolving, with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. Complying with these laws and regulations can be costly and can impede the development and offering of new products and services. In addition, our failure to comply with applicable laws and regulations or other obligations to which we may be subject relating to personal information, or to protect personal information from unauthorized access, use, or other processing, could result in enforcement actions and regulatory investigations against us, claims for damages by customers and other affected individuals, fines, damage to our reputation, and loss of goodwill, any of which could have a negative impact on our operations, financial performance, and business.

Replacing third-party vendors would be difficult and disruptive to our business.

Some services relating to our business, including fraud management and other customer verification services, cash processing, card production, and customer service, are outsourced to third-party vendors. We also depend on third-party banks to assist with our tax refund processing services. It would be difficult to replace some of our third-party vendors in a timely manner if they were unwilling or unable to provide us with these services during the term of their agreements with us or if they elected not to renew their contracts with us, and our business and operations would be negatively impacted. Additionally, replacing third-party vendors with in-house solutions may lead to unanticipated operating costs and potential exposure to increased regulatory scrutiny. In particular, due to the seasonality in our business, any material service interruptions, service delays or changes in service contracts with key vendors during the tax season would result in losses that have an even greater negative impact on that business than would be the case with our overall business.

Further, we have in the past and may in the future experience operational issues with the third-party call centers that we rely on to provide customer support. Any prolonged closure or disruption in the services provided by such call centers would have a negative impact on our business.

Some of our operations, including a significant portion of our software development operations, are located outside of the United States, which subjects us to additional risks.

A significant portion of our software development operations are based in Shanghai, China. A prolonged disruption at our China facility for any reason including due to natural or man-made disasters, outbreaks of disease, climate change or other events outside of our control, such as equipment malfunction or large-scale outages or interruptions of service from utilities or telecommunications providers, could potentially delay our ability to launch new products or services or impact our ability to deliver current products and services, which could negatively impact our business. Additionally, as a result of our international operations, we face numerous other challenges and risks, including, but not limited to:

- increased complexity and costs of managing international operations;
- regional economic and geopolitical instability and military conflicts;
- limited protection of our intellectual property and other assets;
- compliance with and unanticipated changes in local laws and regulations, including tax laws and regulations;
- foreign currency exchange fluctuations relating to our international operating activities;
- local business and cultural factors that differ from our normal standards and practices; and
- differing employment practices and labor relations.

REGULATORY AND LEGAL RISKS

As a bank holding company, we are subject to extensive and potentially changing regulation and are required to serve as a source of strength for Green Dot Bank.

As a bank holding company, we, along with Green Dot Bank, are subject to comprehensive supervision and examination by the Federal Reserve Board and the State of Utah Department of Financial Institutions and must comply with applicable laws and regulations and other commitments we have agreed to, including financial commitments with respect to minimum capital and leverage requirements. As has been the case in the past, when the regulators believe that we or Green Dot Bank have not complied with any of these requirements, we may in the future become subject to, in addition to our then-current obligations (which includes the formal enforcement action noted below), additional formal or informal enforcement actions, proceedings, or investigations, which could result in regulatory orders, penalties, restitution, restrictions on our business operations or requirements to take corrective actions, which may, individually or in the aggregate, negatively impact our results of operations and restrict our ability to grow. For example, in July 2024 we and our subsidiary bank entered into a consent order, including a $44 million civil money penalty, with the Federal Reserve Board relating principally to various aspects of compliance risk management, including consumer compliance and compliance with AML regulations (the "Consent Order"). In response to enhanced regulatory scrutiny, we have increased our investment in our regulatory and compliance infrastructure and will continue with further increases. If we fail to comply with the applicable capital and leverage requirements, or if Green Dot Bank fails to comply with its applicable capital and leverage requirements, the Federal Reserve Board may limit our or Green Dot Bank's ability to pay dividends or fund stock repurchases, or require us to raise additional capital. In addition, if at any time we or Green Dot Bank fail to be “well-capitalized” or “well managed,” we may not commence, or acquire any shares of a company engaged in, any activities only permissible for an FHC, without prior Federal Reserve approval.

The restriction on our ability to commence, or acquire any shares of a company engaged in, any activities only permissible for an FHC, without prior Federal Reserve approval would also generally apply if Green Dot Bank received a CRA rating of less than “Satisfactory.” Currently, under the Bank Holding Company Act (the "BHC Act"), we may not be able to engage in new activities or acquire shares or control of other businesses. Such restrictions might limit our ability to pursue future business opportunities which we might otherwise consider, but which might fall outside the scope of permissible activities. U.S. bank regulatory agencies from time to time take supervisory actions under certain circumstances that restrict or limit a financial institution's activities, including in connection with examinations, which take place on a continual basis. We are subject to significant legal restrictions on our ability to publicly disclose the existence of these actions or any of the related details. In addition, as part of the regular examination process, our and Green Dot Bank's regulators may direct us or our subsidiaries to operate under various restrictions as a prudential matter. Such restrictions may include not being able to engage in certain categories of new activities or acquire shares or control of other companies.

The failure by Green Dot Bank to properly classify its deposits could have a negative impact on our financial condition.

The FDIC issued a final rule establishing a framework for analyzing certain provisions of the “deposit broker” definition, including “placing deposits,” “facilitating the placement of deposits” and “primary purpose,” for purposes of the classification of deposits as brokered deposits and exemptions from such a classification. As a result of the final rule, Green Dot Bank reclassified most of its deposits as non-brokered. If our reclassification is deemed non-compliant, we could be subject to regulatory fines and penalties, increased regulatory oversight, restrictions on our activities, and increased litigation risk.

Failure by us and our business partners to comply with applicable laws and regulations could have a negative impact on our business, financial position and results of operations.

The banking, financial technology, transaction processing and tax refund processing services industries are highly regulated, and failure by us, the banks that issue our cards or the businesses that participate in our reload network, third party service providers or other business partners to comply with the laws and regulations to which we or they are subject could negatively impact our business. We are subject to a wide range of federal and other state laws and regulations. In particular, our products and services are subject to an increasingly strict set of legal and regulatory requirements intended to protect consumers, such as various disclosure and consent requirements, mandated or prohibited terms and conditions, prohibitions on discrimination based on certain prohibited bases, prohibitions on unfair, deceptive or abusive acts or practices, or to help detect and prevent money laundering, terrorist financing and other illicit activities. For example, we are subject to the AML reporting and recordkeeping requirements of the BSA, as amended by the PATRIOT Act. Monitoring and complying with all applicable laws, regulations and licensing requirements can be difficult and costly. Failure to comply with these requirements exposes us to the risk of being required to undertake substantial remediation efforts and to the risk of, among other things, enforcement actions, lawsuits, monetary damages, fines, penalties and reputational harm, any one of which could have a material adverse impact on our results of operations, financial condition or business prospects.

From time to time, federal and state legislators and regulatory authorities, including state attorney generals and federal executive departments, increase their focus on the banking, consumer financial services and tax preparation industries and have commenced and may in the future commence formal and informal inquiries. The adoption of new or proposed legislation or guidance has in the past and may in the future result in significant adverse changes in the regulatory landscape for financial institutions and financial services companies. Accordingly, changes in laws and regulations or the interpretation or enforcement thereof may occur that could increase our compliance and other costs of doing business, require significant systems redevelopment, or render our products or services less profitable or obsolete, any of which could have a negative impact on our results of operations. For example, we could face more stringent AML rules and regulations, as well as more stringent licensing rules and regulations, compliance with which could be expensive and time consuming. In addition, adverse rulings relating to the industries in which we participate could cause our products and services to be subject to additional laws and regulations, which could make our products and services less profitable.

If additional legal or regulatory requirements were imposed on our bank or the sale of our products and services, the requirements could lead to a loss of retail distributors, network participants, tax preparation partners or other business partners, which could negatively impact our operations. Moreover, if our products are negatively impacted by the interpretation or enforcement of these regulations or if we or any of our retail distributors or tax preparation partners were unwilling or unable to make such operational changes to comply with the interpretation or enforcement thereof, we would no longer be able to sell our products and services through that noncompliant retail distributor or tax preparation partner, which could negatively impact our business, financial position and operating results.

Failure by us or those businesses to comply with the laws and regulations to which we are or may become subject could result in additional fines, penalties or limitations on our ability to conduct our business, or federal or state actions, any of which could significantly harm our reputation with consumers, banks that issue our cards and regulators, and could negatively impact our business, operating results and financial condition. Many of these laws can be unclear and inconsistent across various jurisdictions and ensuring compliance with them could be difficult and costly. If new regulations or laws result in changes in the way we are regulated, these regulations could expose us to increased regulatory oversight, more burdensome regulation of our business, and increased litigation risk, each of which could increase our costs and decrease our operating revenues. Furthermore, limitations placed on the fees we charge or the disclosures that must be provided with respect to our products and services could increase our costs and decrease our operating revenues.

Changes in rules or standards set by the payment networks, or changes in debit network fees or products or interchange rates, could negatively impact our business, financial position and results of operations.

We are subject to association rules that could subject us to a variety of fines or penalties that may be levied by the card associations or networks for acts or omissions by us or businesses that work with us, including card processors. The termination of the card association registrations held by us or any changes in card association or other debit network rules or standards, including interpretation and implementation of existing rules or standards, that increase the cost of doing business or limit our ability to provide our products and services could have a negative impact on our business, operating results and financial condition. In addition, from time to time, card associations may increase the fees that they charge, which could increase our operating expenses, reduce our profit margin and negatively impact our business, results of operations and financial condition.

Furthermore, a material portion of our operating revenues is derived from interchange fees. For the three months ended March 31, 2025, interchange revenues represented 9% of our total operating revenues, and we expect interchange revenues to continue to represent a significant percentage of our total operating revenues. The amount of interchange revenues that we earn is highly dependent on the interchange rates that the payment networks set and adjust from time to time.

The enactment of the Dodd-Frank Act required the Federal Reserve Board to implement regulations that have substantially limited interchange fees for many issuers. While the interchange rates that may be earned by us and Green Dot Bank are exempt from the limitations imposed by the Dodd-Frank Act, federal legislators and regulatory authorities have become increasingly focused on interchange fees, and continue to propose new legislation that could result in significant adverse changes to the rates we are able to charge and there can be no assurance that future regulation or changes by the payment networks will not substantially impact our interchange revenues. If interchange rates decline, whether due to actions by the payment networks or future regulation, we would likely need to change our fee structure to offset the loss of interchange revenues. However, our ability to make these changes is limited by the terms of our contracts and other commercial factors, such as price competition. To the extent we increase the pricing of our products and services, we might find it more difficult to acquire consumers and to maintain or grow card usage and customer retention, and we could suffer reputational damage and become subject to greater regulatory scrutiny. We also might have to discontinue certain products or services. As a result, our total operating revenues, operating results, prospects for future growth and overall business could be negatively impacted.

Litigation or investigations could result in significant settlements, sanctions, fines or penalties.

We are subject to regulatory oversight in the normal course of our business and have been, currently are and from time to time in the future may be subject to securities class actions, commercial and other litigation or regulatory or judicial proceedings, investigations or subpoenas. The outcome of litigation and regulatory or judicial proceedings or investigations is difficult to predict. Plaintiffs or regulatory agencies or authorities in these matters have sought and may seek recovery of very large or indeterminate amounts, seek to have aspects of our business suspended or modified or seek to impose sanctions, including significant monetary fines. For example, in July 2024 we and our subsidiary bank entered into the Consent Order, including a civil money penalty of $44 million, with the Federal Reserve Board as further discussed in the "*As a bank holding company, we are subject to extensive and potentially changing regulation and are required to serve as a source of strength for Green Dot Bank*" risk factor above. Additionally, the monetary and other impacts of these actions, litigations, proceedings or investigations may remain unknown for substantial periods of time. The cost to defend, settle or otherwise resolve these matters have been and may be significant. Further, an unfavorable resolution of litigation, proceedings or investigations against us could have a negative impact on our business, operating results, or financial condition. In this regard, such costs could make it more difficult to maintain the capital, leverage and other financial commitments at levels we have agreed to with the Federal Reserve Board and the Utah Department of Financial Institutions. If regulatory or judicial proceedings or investigations were to be initiated against us by private or governmental entities, adverse publicity that may be associated with these proceedings or investigations could negatively impact our relationships with retail distributors, tax preparation partners, network acceptance members, financial institutions and other lending partners, other business partners and card processors and decrease acceptance and use of, and loyalty to, our products and related services, and could impact the price of our Class A common stock. In addition, such proceedings or investigations could increase the risk that we will be involved in litigation. For the foregoing reasons, any regulatory or judicial proceedings or investigations that are initiated against us by private or governmental entities, could negatively impact our business, results of operations and financial condition or could cause our stock price to decline. Refer to *Note 17—Commitments and Contingencies* to the Consolidated Financial Statements included herein for further information regarding certain of our legal and other proceedings.

We may be unable to adequately protect our brand and our intellectual property rights related to our products and services or third parties may allege that we are infringing their intellectual property rights.

Our brands and marks are important to our business, and we utilize trademark registrations and other means to protect them. Our business would be negatively impacted if we were unable to protect our brand against infringement. We also rely on a combination of patent, trademark and copyright laws, trade secret protection and confidentiality and license agreements to protect the intellectual property rights related to our products and services. We currently have 17 issued patents and 1 patent application pending. Although we generally seek patent protection for inventions and improvements that we anticipate will be incorporated into our products and services, there is always a chance that our patents or patent applications could be challenged, invalidated or circumvented, or that an issued patent will not adequately cover the scope of our inventions or improvements incorporated into our products or services. Additionally, our patents could be circumvented by third parties.

We may unknowingly violate the intellectual property or other proprietary rights of others and, thus, may be subject to claims by third parties. Because of the existence of a large number of patents in the mobile technology field, the secrecy of some pending patents, and the rapid rate of issuance of new patents, it is not economically practical or even possible to determine in advance whether a product or any of its elements infringes or will infringe on the patent rights of others. Regardless of the merit of these claims, we may be required to devote significant time and resources to defending against these claims or to protecting and enforcing our own rights. We might also be required to develop a non-infringing technology or enter into license agreements and there can be no assurance that licenses will be available on acceptable terms and conditions, if at all. Some of our intellectual property rights may not be protected by intellectual property laws, particularly in foreign jurisdictions. The loss of our intellectual property or the inability to secure or enforce our intellectual property rights or to defend successfully against an infringement action could negatively impact our business, results of operations, financial condition and prospects.

RISKS RELATED TO OUR CAPITAL NEEDS AND INDEBTEDNESS

We might require additional capital to support our business in the future, and this capital might not be available on acceptable terms, or at all.

If our unrestricted cash and cash equivalents balances and any cash generated from operations are not sufficient to meet our future cash requirements, we will need to access additional capital to fund our operations. We may also need to raise additional capital to take advantage of new business or acquisition opportunities. However, we may not be able to raise needed cash in a timely basis on terms acceptable to us or at all. Financings, if available, may be on terms that are dilutive or potentially dilutive to our stockholders. The holders of new securities may also receive rights, preferences or privileges that are senior to those of existing holders of our Class A common stock. In addition, if we were to raise cash through a debt financing, the terms of the financing might impose additional conditions or restrictions on our operations that could negatively impact our business. If we require new sources of financing but they are insufficient or unavailable, we would be required to modify our operating plans to take into account the limitations of available funding, which would negatively impact our ability to maintain or grow our business. Should we require additional credit at levels we are unable to access, the cost of credit is greater than expected, or our cost-savings measures are ineffective or result in us incurring greater costs, our operating results could be negatively impacted.

We have increased debt service obligations as a result of the issuance of our senior unsecured notes.

In 2024 and 2025, we issued and sold senior unsecured notes in an aggregate principal amount of $65.0 million, all of which mature in September 2029. As a result of these transactions, we have incurred additional debt service obligations in addition to normal operating expenses and planned capital expenditures. Our increased level of indebtedness may have several important effects on our future operations, including, without limitation, a portion of our cash flow must be dedicated to the payment of interest and principal on the senior unsecured notes, reducing funds available for distribution to stockholders and limiting our ability to obtain additional financing for working capital, capital expenditures, acquisitions and general corporate and other purposes. Our ability to meet our debt service obligations and to reduce our total indebtedness will be dependent upon our future performance, as well as Green Dot Bank and its ability to pay dividends to us, which will be subject to regulatory restrictions, general economic, industry and competitive conditions and to financial, business and other factors affecting us and Green Dot Bank, many of which are beyond our control. In addition, the senior unsecured notes contain certain affirmative and negative non-financial covenants applicable to us and Green Dot Bank that could limit our ability to take advantage of financing, merger, acquisition or other opportunities, to fund our business operations or to fully implement our current and future operating strategies.

We cannot assure you that we will be able to continue to generate cash flow at or above its current level and that we will be able to pay principal and interest on the senior unsecured notes as they become due. Further, we cannot assure you that our maintenance of our indebtedness or occurrence of future indebtedness will not negatively impact our operating results or financial condition.

GENERAL RISKS

Our operating results may fluctuate in the future, which could cause our stock price to decline.

If our quarterly and annual results of operations fall below the expectations of investors or any securities analysts who follow our Class A common stock, the trading price of our Class A common stock could decline substantially. Fluctuations in our quarterly or annual results of operations might result from a number of factors including the occurrence of one or more of the events or circumstances described in these risk factors, many of which are outside of our control, including, but not limited to:

- the timing and volume of purchases and use of our products and services;
- the timing and volume of tax refunds or other government payments processed by us;
- the timing and success of new product or service introductions by us or our competitors;
- fluctuations in customer retention rates;
- outages and interruptions in our systems, those of our partners or third-party service providers;
- changes in the mix of products and services that we sell or changes in the mix of our client retail distributors;
- the timing of commencement of new and existing product roll outs, developments and initiatives and the lag before those new products, channels or retail distributors generate material operating revenues;
- our ability to effectively sell our products through direct-to-consumer initiatives;
- costs associated with significant changes in our risk policies and controls;
- the amount and timing of major advertising campaigns, including sponsorships;
- the amount and timing of capital expenditures and operating costs;
- interest rate volatility;
- our ability to control costs, including third-party service provider costs and sales and marketing expenses;
- volatility in the trading price of our Class A common stock;
- changes in the political or regulatory environment affecting the industries in which we operate;
- economic recessions or uncertainty in financial markets, and the uncertainty regarding the impact of macroeconomic trends or conditions; and
- other factors beyond our control, such as terrorism, war, natural disasters and pandemics as well as the other items included in these risk factors.

Our actual operating results may differ significantly from our guidance.

From time to time, we issue guidance in our quarterly earnings conference calls, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. Guidance is necessarily speculative in nature, and is only an estimate of what management believes is realizable as of the date of release, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will prove to be incorrect or will vary significantly from actual results. Actual results will vary from our guidance and the variations may be material, especially in times of economic uncertainty.

Our future success depends on our ability to attract, integrate, retain and incentivize key personnel.

Our ability to manage and grow our business will depend, to a significant extent, on our ability to attract, integrate, retain and recognize key personnel, namely our management team and experienced sales, marketing and program and technology development personnel. We may experience difficulty in managing transitions and assimilating newly-hired personnel, and if we fail to manage these transitions successfully, we could experience significant delays or difficulty in the achievement of our development and strategic objectives and our business, financial condition and results of operations could be negatively impacted. Competition for qualified management, sales, marketing and program and technology development personnel can be intense. Competitors have in the past and may in the future attempt to recruit our top management and employees. In order to attract and retain personnel in a competitive marketplace, we must provide competitive pay packages, including cash and equity-based compensation and the volatility in our stock price may from time to time negatively impact our ability to recruit or retain employees. Additionally, our U.S.-based employees, including our senior management team, work for us on an at-will basis and there is no assurance that any such employee will remain with us.

Acquisitions or investments, or the failure to consummate such transactions, could disrupt our business and negatively impact our financial condition.

We have in the past acquired, and we may acquire in the future, other businesses and technologies. Identifying suitable acquisition candidates can be difficult, time-consuming and costly, and we may not be able to identify suitable candidates or successfully complete identified acquisitions. Failure to complete an acquisition could negatively impact our business as we could be required to pay a termination fee under certain circumstances or be subject to litigation, and our stock price may also be negatively impacted as the failure to consummate such an acquisition may result in negative perception in the investment community.

Further, the process of integrating an acquired business, product, service or technology can involve a number of special risks and challenges, including:

- increased regulatory and compliance requirements;
- implementation or remediation of controls, procedures and policies at the acquired company;
- diversion of management time and focus from operation of our then-existing business;
- integration and coordination of product, sales, marketing, program and systems management functions;
- transition of the acquired company's users and customers onto our systems;
- integration of the acquired company's systems and operations generally with ours;
- integration of employees from the acquired company into our organization;
- loss or termination, including costs associated with the termination or replacement of employees;
- liability for activities of the acquired company prior to the acquisition, including violations of law, commercial disputes, and tax and other known and unknown liabilities; and
- increased litigation or other claims in connection with the acquired company, including claims brought by terminated employees, customers, former stockholders or other third parties.

If we are unable to successfully integrate an acquired business or technology or otherwise address these special risks and challenges or other problems encountered in connection with an acquisition, we might not realize the anticipated benefits of that acquisition, we might incur unanticipated liabilities, or we might otherwise experience negative impacts to our business generally. Furthermore, acquisitions and investments are often speculative in nature and the actual benefits we derive from them could be lower or take longer to materialize than we expect. In addition, to the extent we pay the consideration for any future acquisitions or investments in cash, it would reduce the amount of cash available to us for other purposes. Future acquisitions or investments could also result in dilutive issuances of our equity securities or the incurrence of debt, contingent liabilities, amortization expenses, or goodwill impairment charges, any of which could negatively impact our financial condition and negatively impact our stockholders.

An impairment charge of goodwill or other intangible assets could have a negative impact on our financial condition and results of operations.

Our net goodwill and intangible assets represent a significant portion of our consolidated assets. Our net goodwill and intangible assets were $392.1 million as of March 31, 2025. Under generally accepted accounting principles in the United States, or ("U.S. GAAP"), we are required to test the carrying value of goodwill at least annually or sooner if events occur that indicate impairment could exist, such as a significant change in the business climate, including a significant sustained decline in a reporting unit's fair value, legal and regulatory factors, operating performance indicators, competition and other factors. The amount of any impairment charge could be significant and could have a negative impact on our financial condition and results of operations for the period in which the charge is taken.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP. We have in the past and may in the future discover areas of our internal financial and accounting controls and procedures that need improvement. If we are unable to maintain proper and effective internal controls, we may not be able to produce accurate financial statements on a timely basis and might experience adverse regulatory consequences or violate NYSE listing standards, which could negatively impact our ability to operate our business and could result in regulatory action, and could require us to restate our financial statements. Any such restatement could result in a loss of public confidence in the reliability of our financial statements and sanctions imposed on us by the SEC.

Our business could be negatively impacted by actions of stockholders.

The actions of stockholders could negatively impact our business. Specifically, certain actions of certain types of stockholders, including without limitation public proposals, requests to pursue a strategic combination or other transaction or special demands or requests, could disrupt our operations, be costly and time-consuming or divert the attention of our management and employees and increase the volatility of our stock. In addition, perceived uncertainties as to our future direction in relation to the actions of our stockholders may result in the loss of potential business opportunities or the perception that we are unstable and need to make changes, which may be exploited by our competitors and make it more difficult to attract and retain personnel as well as customers, service providers and partners. Actions by our stockholders may also cause fluctuations in our stock price based on speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

Our charter documents, Delaware law and our status as a bank holding company could discourage, delay or prevent a takeover that stockholders consider favorable.

Provisions in our certificate of incorporation and bylaws, as well as provisions under Delaware law, could discourage potential takeover attempts, reduce the price that investors might be willing to pay in the future for shares of our Class A common stock, and result in the trading price of our Class A common stock being lower than it otherwise would be. In addition to the foregoing, under the BHC Act and the Change in Bank Control Act, and their respective implementing regulations, Federal Reserve Board approval is necessary prior to any person or company acquiring control of a bank or bank holding company, subject to certain exceptions. Control, among other considerations, exists if an individual or company acquires 25% or more of any class of voting securities, and may be presumed to exist if a person acquires 10% or more of any class of voting securities. These restrictions could affect the willingness or ability of a third party to acquire control of us for so long as we are a bank holding company.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

ITEM 5. Other Information

Insider Adoption or Termination of Trading Arrangements

During the fiscal quarter ended March 31, 2025, none of our directors or officers informed us of the adoption or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408.

ITEM 6. Exhibits

The following documents are filed as exhibits to this report:

Exhibit Number	Description of Exhibits
10.1	Form of Retention Bonus Award Agreement
31.1	Certification of William I Jacobs, Principal Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Jess Unruh, Principal Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of William I Jacobs, Principal Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
32.2	Certification of Jess Unruh, Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
101	The following financial statements from the company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income and Loss, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Furnished, not filed.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Green Dot Corporation

Date:	May 12, 2025	By:	/s/ William I Jacobs
		Name:	William I Jacobs
		Title:	Interim Chief Executive Officer (Duly Authorized Officer and Principal Executive Officer)

Date:

Employee:

Employee ID:

Dear _________,

Congratulations! On behalf of the Board of Directors of Green Dot ("Board"), I write to formally inform you of a cash retention award in recognition of your valuable contributions to Green Dot Corporation. I, on behalf of the Board, thank you for your hard work in 2024. We appreciate it. As you may be aware, Green Dot Corporation is currently engaged in discussions regarding a potential corporate transaction. In light of this, we want to ensure that we have a strong and committed leadership team in order to support the company's continued success and as we navigate this transaction process and thereafter.

As a critical member of our team, the Board of Directors is pleased to offer you a cash retention award in the amount of $_______, contingent upon the following terms and conditions:

1 **Eligibility:** The retention award is intended to reward your continued employment with the company during the period leading up to and through the potential transaction.

2 **Vesting Schedule:** The retention award will be paid out in two equal payments. The first 50% of the award will be delivered upon the execution of a Letter of Intent, but no later than December 31st, 2025. The second 50% of the award will be delivered upon completion of the transaction, but no later than June 30th, 2026. Payment of the award is subject to your continued employment with the company through these transaction milestones or dates.

3 **Conditions:** The retention award is contingent upon your active and continuous employment with Green Dot Corporation through the achievement of milestone transactions or dates noted in the vesting schedule. If your employment ends voluntarily or involuntarily (for cause) prior to the completion of the milestone transactions or dates noted in the vesting schedule, the award will be forfeited. If your employment ends involuntarily (without cause), the full remaining value of the award will be accelerated and paid in accord with terms outlined in your final severance benefits.

4 **Payment:** The retention award will be paid via payroll, less applicable taxes and withholdings, following completion of the milestone transactions or dates noted in the vesting schedule.

We recognize your hard work and dedication to Green Dot Corporation, and we are confident that your continued efforts will be essential in helping us achieve a successful outcome. We truly appreciate your commitment during this important time.

Again, the Board and I thank you for your ongoing dedication and contributions to Green Dot Corporation.

Sincerely,

William I Jacobs

Chairman of the Board and Interim CEO

Green Dot Corporation

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13A-14(A)/15D-14(A)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, William I Jacobs, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Dot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	May 12, 2025	By:	/s/ William I Jacobs
		Name:	William I Jacobs Interim Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13A-14(A)/15D-14(A)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jess Unruh, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Green Dot Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:	May 12, 2025	By:	/s/ Jess Unruh
		Name:	Jess Unruh Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, William I Jacobs, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of Green Dot Corporation for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Green Dot Corporation.

Date:	May 12, 2025	By:	/s/ William I Jacobs
		Name:	William I Jacobs Interim Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Jess Unruh, do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- the Quarterly Report on Form 10-Q of Green Dot Corporation for the quarter ended March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Green Dot Corporation.

Date:	May 12, 2025	By:	/s/ Jess Unruh
		Name:	Jess Unruh Chief Financial Officer (Principal Financial Officer)