



Q3 2015

Earnings presentation

November 5, 2015

About Non-GAAP Financial Measures

During this presentation, references to financial measures of Green Dot Corporation will include references to non-GAAP financial measures. For an explanation to the most directly comparable GAAP financial measures, see the Appendix to these materials or the Supplemental Non-GAAP Financial Information available at Green Dot Corporation's investor relations website at <http://ir.greendot.com/> under "Financial Information."

Forward-Looking Statements

This earnings release contains forward-looking statements, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include, among other things, statements regarding the Company's guidance for 2015 and preliminary expectations for 2016 contained under "Updated Outlook for 2015" or in the quotes of its executive officers and other future events that involve risks and uncertainties. Actual results may differ materially from those contained in the forward-looking statements contained in this earnings release, and reported results should not be considered as an indication of future performance. The potential risks and uncertainties that could cause actual results to differ from those projected include, among other things, the impact of the Company's supply chain management efforts on its revenue growth, the timing and impact of revenue growth activities, the Company's dependence on revenues derived from Walmart and three other retail distributors, impact of competition, the Company's reliance on retail distributors for the promotion of its products and services, demand for the Company's new and existing products and services, continued and improving returns from the Company's investments in new growth initiatives, potential difficulties in integrating operations of acquired entities and acquired technologies, the Company's ability to operate in a highly regulated environment, changes to existing laws or regulations affecting the Company's operating methods or economics, the Company's reliance on third-party vendors, changes in credit card association or other network rules or standards, changes in card association and debit network fees or products or interchange rates, instances of fraud developments in the prepaid financial services industry that impact prepaid debit card usage generally, business interruption or systems failure, and the Company's involvement litigation or investigations. These and other risks are discussed in greater detail in the Company's Securities and Exchange Commission filings, including its most recent annual report on Form 10-K and quarterly report on Form 10-Q, which are available on the Company's investor relations website at <http://ir.greendot.com/> and on the SEC website at www.sec.gov. All information provided in this release and in the attachments is as of November 5, 2015, and the Company assumes no obligation to update this information as a result of future events or developments.

Q3 highlights

Acquisitions offset MoneyPak-related declines

- Non-GAAP total operating revenues⁽¹⁾ were \$146.5M, flat YoY
- Adjusted EBITDA⁽¹⁾ of \$22.2M, margin was 15%
- Non-GAAP EPS⁽¹⁾ were \$0.15

Key considerations to Q3 results

- Continued declines in legacy active card base related to ecosystem pressure from MoneyPak discontinuation
- Positive per-active usage metrics indicate higher quality portfolio
- Margins impacted by TPG costs and new commissions on MoneyCard

Strong cash flow and balance sheet

- Generated \$114M in net cash provided by operating activities YTD
- Unencumbered cash of \$90M as of September 30th
- Returned \$40M to shareholders via ASR program initiated during Q3

Expect to exit 2015 at a lower revenue run rate on legacy business

Preliminary plans for 2016

GPR initiatives

- New MoneyCard offering
- Green Dot Everyday card to be enhanced with new features
- New pricing plans designed to attract more high-use prepaid users and drive superior unit economics

GoBank initiatives

- Enhance consumer version with added value proposition
- New distribution partnerships across new customer acquisition channels
- GoBusiness small business accounts to serve on-demand 1099 workforce

Processing & Settlement initiatives

- Begin to realize revenue synergies from TPG by selling integrated GPR product through tax preparers
- MoneyPak Plus product launch to replace discontinued MoneyPak PIN

Poised to rebuild business through new initiatives slated to launch in 2016

Consolidated Q3 YoY growth rates

Measure	Consolidated
Non-GAAP total operating revenues ⁽¹⁾	+0%
Card revenues and other fees	+22%
Processing and settlement services revenues	(35%)
Interchange revenues	+5%
Number of active cards at quarter end	(3%)
Number of cash transfers	(24%)
Gross dollar volume	+9%
Purchase volume	+9%

Derived Q3 YoY growth rates

Measure	Consolidated
Total revenues (ex cash transfer) / Active	+18%
Card revenues / Active	+25%
Interchange revenues / Active	+8%
Gross dollar volume / Active	+12%
Purchase volume / Active	+12%

Other supplemental data

Measure	Q3 2015	Q3 2014
Average interchange yield	1.25%	1.30%
% of GDV from Direct Deposit	63%	58%
% of total revenues derived from WMT	50%	52%
WMT channel revenue growth (YoY)	(4%)	(13%)
% of cash transfer revenues from 3 rd parties	20%	31%

Outlook For 2015

	FY 2015	Q4 2015
	Guidance	Commentary
Non-GAAP Total Operating Revenues ⁽¹⁾	Slightly below \$700M	<i>Consistent with Q3, adjusted for typical seasonality</i>
Adjusted EBITDA ⁽¹⁾	\$150-160M <i>Expect to finish near low end of range</i>	<i>Expect adjusted EBITDA margin to be lower than Q3</i>
Non-GAAP EPS ^(1,2)	\$1.24-1.35 Full year assumptions: <i>D&A \$39M (pre-tax); Tax rate 37.5%; Diluted shares 53.5M</i>	<i>Diluted shares to reflect weighted average impact of 1.8M shares repurchased via ASR program</i>

APPENDIX

Non-GAAP Reconciliations

GREEN DOT CORPORATION

Reconciliation of Total Operating Revenues to Non-GAAP Total Operating Revenues (1) (Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(In thousands)	
Total operating revenues	\$ 146,360	\$ 144,659
Stock-based retailer incentive compensation (2)(4)	-	2,131
Contra-revenue advertising costs (3)(4)	115	-
Non-GAAP total operating revenues	<u>\$ 146,475</u>	<u>\$ 146,790</u>

Reconciliation of Net Income to Non-GAAP Net Income (1) (Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(In thousands, except per share data)	
Net income	\$ 179	\$ 13,891
Employee stock-based compensation expense (5)	7,453	5,466
Stock-based retailer incentive compensation (2)	-	2,131
Amortization of acquired intangibles (6)	5,915	444
Change in fair value of contingent consideration (6)	-	-
Other charges (7)	90	(6,369)
Transaction costs (6)	119	2,419
Amortization of deferred financing costs (7)	384	-
Impairment charges (7)	742	-
Income tax effect (8)	(6,935)	(1,351)
Non-GAAP net income	<u>\$ 7,947</u>	<u>\$ 16,631</u>
Diluted earnings per share*		
GAAP	\$0.00	\$0.30
Non-GAAP	\$0.15	\$0.36
Diluted weighted-average shares issued and outstanding		
GAAP	52,361	40,461
Non-GAAP	53,880	46,156

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

Non-GAAP Reconciliations

Reconciliation of GAAP to Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding (1) (Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(In thousands)	
Diluted weighted-average shares issued and outstanding	52,361	40,461
Assumed conversion of weighted-average shares of preferred stock	1,519	5,369
Weighted-average shares subject to repurchase	-	326
Non-GAAP diluted weighted-average shares issued and outstanding	<u>53,880</u>	<u>46,156</u>

Supplemental Detail on Non-GAAP Diluted Weighted-Average Shares Issued and Outstanding (Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(In thousands)	
Stock outstanding as of September 30:		
Class A common stock	50,294	40,290
Preferred stock (on an as-converted basis)	1,519	5,369
Total stock outstanding as of September 30:	<u>51,813</u>	<u>45,659</u>
Weighting adjustment	1,282	(80)
Dilutive potential shares:		
Stock options	375	418
Restricted stock units	383	145
Employee stock purchase plan	27	14
Non-GAAP diluted weighted-average shares issued and outstanding	<u>53,880</u>	<u>46,156</u>

Non-GAAP Reconciliations

Reconciliation of Net Income to Adjusted EBITDA (1) (Unaudited)

	Three Months Ended September 30,	
	2015	2014
	(In thousands)	
Net income	\$ 179	\$ 13,891
Net interest income (4)	337	(965)
Income tax expense	(2,222)	6,771
Depreciation of property and equipment (4)	9,584	8,179
Employee stock-based compensation expense (4)(5)	7,453	5,466
Stock-based retailer incentive compensation (2)(4)	-	2,131
Amortization of acquired intangibles (4)(6)	5,915	444
Change in fair value of contingent consideration (4)(6)	-	-
Other charges (4)(7)	90	(6,369)
Transaction costs (4)(6)	119	2,419
Impairment charges (4)(7)	742	-
Adjusted EBITDA	<u>\$ 22,197</u>	<u>\$ 31,967</u>
Non-GAAP total operating revenues	<u>\$ 146,475</u>	<u>\$ 146,790</u>
Adjusted EBITDA/ non-GAAP total operating revenues (adjusted EBITDA margin)	<u>15.2%</u>	<u>21.8%</u>

Non-GAAP Reconciliations

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected Adjusted EBITDA (1) (Unaudited)

	FY 2015			
	Range			
	Low		High	
	(In millions)			
Net income	\$	36	\$	42
Adjustments (9)		114		118
Adjusted EBITDA	\$	150	\$	160

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income (1) (Unaudited)

	FY 2015			
	Range			
	Low		High	
	(In millions)			
Net income	\$	36	\$	42
Adjustments (9)		32		32
Non-GAAP net income	\$	68	\$	74
Diluted earnings per share*				
GAAP	\$	0.68	\$	0.79
Non-GAAP	\$	1.24	\$	1.35
Diluted weighted-average shares issued and outstanding				
GAAP		53		52
Non-GAAP		55		53

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

Non-GAAP Reconciliations

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to
 Projected GAAP Diluted Weighted-Average Shares Issued and Outstanding (1)
 (Unaudited)

	FY 2015	
	Range	
	Low	High
	(In millions)	
Diluted weighted-average shares issued and outstanding		
Assumed conversion of weighted-average shares of preferred stock	53	53
Weighted-average shares subject to repurchase	2	2
Non-GAAP diluted weighted-average shares issued and outstanding	<u>55</u>	<u>55</u>

Non-GAAP Reconciliation Footnotes

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

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

- stock-based retailer incentive compensation is a non-cash GAAP accounting charge that is an offset to the Company's actual revenues from operations as the Company has historically calculated them. This charge resulted from the monthly lapsing of the Company's right to repurchase a portion of the 2,208,552 shares it issued to its largest distributor, Walmart, in May 2010. By adding back this charge to the Company's GAAP total operating revenues, investors can make direct comparisons of the Company's revenues from operations prior to May 2015, when the repurchase right fully lapsed, and thus more easily perceive trends in the Company's core operations. Further, because the monthly charge is based on the then-current fair market value of the shares as to which the Company's repurchase right lapses, adding back this charge eliminates fluctuations in the Company's operating revenues caused by variations in its stock price and thus provides insight on the operating revenues directly associated with those core operations;
- the Company records employee stock-based compensation from period to period, and recorded employee stock-based compensation expenses of approximately \$7.5 million and \$5.5 million for the three months ended September 30, 2015 and 2014, respectively. By comparing the Company's adjusted EBITDA, non-GAAP net income and non-GAAP diluted earnings per share in different historical periods, investors can evaluate the Company's operating results without the additional variations caused by employee stock-based compensation expense, which may not be comparable from period to period due to changes in the fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations;
- adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items, such as interest expense, income tax expense, depreciation and amortization, employee stock-based compensation expense, stock-based retailer incentive compensation expense, other income, transaction costs and impairment charges, that can vary substantially from company to company depending upon their respective financing structures and accounting policies, the book values of their assets, their capital structures and the methods by which their assets were acquired; and
- securities analysts use adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies.

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

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

Non-GAAP Reconciliation Footnotes

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

- that these measures do not reflect the Company's capital expenditures or future requirements for capital expenditures or other contractual commitments;
 - that these measures do not reflect changes in, or cash requirements for, the Company's working capital needs;
 - that these measures do not reflect interest expense or interest income;
 - that these measures do not reflect cash requirements for income taxes;
 - that, although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for these replacements; and
 - that other companies in the Company's industry may calculate these measures differently than the Company does, limiting their usefulness as comparative measures.
2. This expense consists of the recorded fair value of the shares of Class A common stock for which the Company's right to repurchase has lapsed pursuant to the terms of the May 2010 agreement under which they were issued to Wal-Mart Stores, Inc., a contra-revenue component of the Company's total operating revenues. The Company does not believe these non-cash expenses are reflective of ongoing operating results. Our right to repurchase any shares issued to Walmart fully lapsed during the three months ended June 30, 2015. As a result, we will not recognize stock-based retailer incentive compensation in future periods.
 3. This expense consists of certain co-op advertising costs recognized as contra-revenue under GAAP. The Company believes the substance of the costs incurred are a result of advertising and is not reflective of ongoing total operating revenues. The Company believes that excluding co-op advertising costs from total operating revenues facilitates the comparison of our financial results to the Company's historical operating results. Prior to 2015, the Company did not have any co-op advertising costs recorded as contra-revenue.
 4. The Company does not include any income tax impact of the associated non-GAAP adjustment to non-GAAP total operating revenues or adjusted EBITDA, as the case may be, because each of these non-GAAP financial measures is provided before income tax expense.
 5. This expense consists primarily of expenses for employee stock options and restricted stock units. Employee stock-based compensation expense is not comparable from period to period due to changes in the fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers) and is not a key measure of the Company's operations. The Company excludes employee stock-based compensation expense from its non-GAAP financial measures primarily because it consists of non-cash expenses that the Company does not believe are reflective of ongoing operating results. Further, the Company believes that it is useful to investors to understand the impact of employee stock-based compensation to its results of operations.
 6. The Company excludes certain income and expenses that are the result of acquisitions. These acquisition related adjustments include the amortization of acquired intangible assets, changes in the fair value of contingent consideration, settlements of contingencies established at time of acquisition and other acquisition related charges, such as integration charges and professional and legal fees, which result in the Company recording expenses or fair value adjustments in its GAAP financial statements. The Company analyzes the performance of its operations without regard to these adjustments. In determining whether any acquisition related adjustment is appropriate, the Company takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations.

Non-GAAP Reconciliation Footnotes

7. The Company excludes certain income and expenses that are not reflective of ongoing operating results. It is difficult to estimate the amount or timing of these items in advance. Although these events are reflected in the Company's GAAP financial statements, the Company excludes them in its non-GAAP financial measures because the Company believes these items may limit the comparability of ongoing operations with prior and future periods. These adjustments include amortization attributable to deferred financing costs, impairment charges related to internal-use software and other charges related to gain or loss contingencies. In determining whether any such adjustments is appropriate, the Company takes into consideration, among other things, how such adjustments would or would not aid in the understanding of the performance of its operations.
8. Represents the tax effect for the related non-GAAP measure adjustments using the Company's year to date effective tax rate.
9. These amounts represent estimated adjustments for net interest income, income taxes, depreciation and amortization, employee stock-based compensation expense, stock-based retailer incentive compensation expense, contingent consideration, other income and expenses and transaction costs. Employee stock-based compensation expense and stock-based retailer incentive compensation expense include assumptions about the future fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets and the financial performance of the Company's peers).

**Our
mission**

**To reinvent
personal banking
for the**

MASSES

American families earning <\$75K

- unbanked
- underbanked
- unhappily banked
- newly banked
- millennials