GREEN DOT CORP
Form 10-K
February 29, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

o 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

GREEN DOT CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	95-4766827 (IRS Employer Identification No.)
3465 E. Foothill Blvd. Pasadena, California 91107 (Address of principal executive offices, including zip code)	(626) 765-2000 (Registrant's telephone number, including area code)

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

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

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

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 þ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant’s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer,

or a smaller reporting company. See definition of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
		(Do not check if a smaller reporting company)	

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

The aggregate market value of the common equity held by non-affiliates of the registrant (assuming for these purposes, but without conceding, that all executive officers, directors and 10% or greater stockholders are "affiliates" of the registrant) as of June 30, 2015, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $895.6 million (based on the closing sale price of the registrant's common stock on that date as reported on the New York Stock Exchange).

There were 50,113,873 shares of Class A common stock, par value $0.001 per share (which number does not include 1,518,512 shares of Class A common stock issuable upon conversion of Series A Convertible Junior Participating Non-Cumulative Perpetual Preferred Stock) as of January 31, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s proxy statement relating to the registrant’s 2016 Annual Meeting of Stockholders, to be held on or about May 23, 2016, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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FORWARD-LOOKING STATEMENTS

This report 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 (the “Securities Act”) and the Securities Exchange Act of 1934 (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,” “st “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 those identified below, under “Part I, 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 report, unless otherwise specified or the context otherwise requires, “Green Dot,” “we,” “us,” and “our” refer to Green Dot Corporation and its consolidated subsidiaries, the term “GPR cards” refers to general purpose reloadable prepaid debit cards, the term “prepaid cards” refers to prepaid debit cards and the term “our cards” refers to our Green Dot-branded and co-branded GPR cards. In addition, “prepaid financial services” refers to GPR cards and associated reload services, a segment of the prepaid card industry.

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PART I

ITEM 1. Business

Overview

Green Dot Corporation, along with its wholly-owned subsidiaries, is a pro-consumer financial technology innovator with a mission to provide a full range of affordable and accessible financial services to the masses. We are the largest provider of reloadable prepaid debit cards and cash reload processing services in the United States. We are also a leader in mobile technology and mobile banking with our award-winning GoBank mobile checking account and a top 20 debit card issuer among all banks and credit unions in the country. Through our wholly-owned subsidiary, SBBT Holdings, LLC (“TPG”), we are also the largest processor of tax refund disbursements in the U.S. Our products and services are available to consumers through a large-scale "branchless bank" distribution network of more than 100,000 U.S. retail locations, thousands of neighborhood financial service center locations, online, in the leading app stores, and through approximately 25,000 tax preparation offices and leading online tax preparation providers.

The combination of our innovative products and services, broad retail distribution and proprietary technology creates powerful network effects, which we believe enhance the value we deliver to our customers, our retail distributors and other participants in our network.

We were incorporated in Delaware in October 1999 as Next Estate Communications, Inc. and changed our name to Green Dot Corporation in October 2005. We completed our initial public offering of Class A common stock in July 2010. In December 2011, we became a bank holding company under the Bank Holding Company Act of 1956, as amended (the "BHC Act"), as a result of our acquisition of Bonneville Bancorp, the holding company of Bonneville Bank, a state-chartered Utah bank. The bank was subsequently renamed Green Dot Bank and we became a member bank of the Federal Reserve System. In 2014 and 2015, we made four acquisitions, including TPG, adding tax refund processing services to the range of products and services we provide.

Our principal executive offices are located at 3465 East Foothill Boulevard, Pasadena, California 91107, and our telephone number is (626) 765-2000. We maintain a website at www.greendot.com. We make available free of charge, on or through our website via the Investor Relations section at ir.greendot.com, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after filing such material electronically or otherwise furnishing it to the Securities and Exchange Commission, or the SEC. References to website addresses in this report are intended to be inactive textual references only, and none of the information contained on our website is part of this report or incorporated in this report by reference.

Segments

As of December 31, 2014 and prior, our operations were organized within one reportable segment. As a result of acquisitions occurring in late 2014 and early 2015, we have realigned our operations into two reportable segments: 1) Account Services and 2) Processing and Settlement Services. We identify our reportable segments based on factors such as how we manage our operations and how our chief operating decision maker allocates resources amongst the business. Our chief operating decision maker organizes and manages our business primarily on the basis of product and service offerings and uses operating income to assess profitability. Financial information regarding our segments and the products and services they provide are included in the information set forth in Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Note 23—Segment Information of the consolidated financial statements contained in Item 8. Financial Statements and Supplementary Data.

Our Business Model

Our business model focuses on three major elements: our consumers; our products and services; and our distribution channels.

Our Consumers

We have designed our products and services to appeal primarily to consumers living in U.S. households that earn less than $75,000 annually across the following five consumer segments:

- Unbanked — individuals who do not have a bank account;
- Underbanked — individuals who may hold a bank account of one type or another, but do not maintain sufficient balances or hold a sufficient enough credit standing to allow that individual to engage fully in the bank's offerings;

- Unhappily banked — individuals who hold a bank account, but are seeking alternative solutions to that account;

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- New to banking — individuals who are coming of age or otherwise want or need a bank account, but have not acquired one;
- Millennials — characterized as younger Americans who have grown up in a mobile-based, technology-driven world and who have distinct expectations and attitudes related to how they choose and consume various products and services, including financial services.

Based on data from the Federal Deposit Insurance Corporation, or FDIC, the Federal Reserve Bank, the U.S. Census, the Center for Financial Services Innovation and our proprietary data, we believe the addressable portions of these five consumer segments collectively represent a market opportunity of approximately 160 million people in the United States for our products and services.

Our Products and Services

Our principal products and services consist of branded and private label deposit account programs (collectively "Account Services"), and processing and settlement services.

Account Services

Our branded deposit account programs include Green Dot-branded and affinity-branded general purpose reloadable ("GPR") card accounts, checking accounts and open-loop gift cards. We also have the ability to provide private label GPR card accounts on behalf of a retailer or other third party entity. Private label cards generally bear the trademarks or logos of the retail distributor or business entity, and our trademark on the packaging and back of the card. These cards have the same features and characteristics as our Green Dot-branded GPR cards, and are accepted at the same locations. We typically are responsible for managing all aspects of these programs, including strategy, product design, marketing, customer service, operations and compliance with our subsidiary bank serving as the card's issuer. Currently, our only private label program is the Walmart MoneyCard.

Our GPR card accounts are prepaid debit accounts issued by Green Dot Bank (or other partner banks) with deposits on those cards insured by the FDIC. GPR cards are designed for general spending purposes and are reloadable for ongoing long-term use.

To purchase a GPR card in a retail store location, consumers typically select the temporary GPR card from an in-store display and pay the cashier a one-time purchase fee plus the initial amount they would like to load onto their card. Our GPR cards can also be obtained online and in the mail through our direct marketing efforts. Consumers then go online, use a mobile device, or call a toll-free number to register their personal information with us so that we can activate their card. As explained below, consumers can then reload their GPR cards using our processing and settlement services. Funds can also be loaded on the card via direct deposit of various disbursements, such as a customer's payroll check.

Our GPR cards are issued as Visa- or MasterCard-branded cards and can be used by consumers at merchants that accept these brands. Our cardholders can also conduct cash withdrawal transactions at ATMs that accept our cards, which includes the substantial majority of ATMs located in the United States.

For regulatory compliance, risk management, operational and other reasons, our GPR cards are not anonymous and require the customer to provide us with their personal information necessary to ensure to the satisfaction of Green Dot Bank that it has a reasonable belief that it knows the true identity of its customers.

Checking Accounts. We offer innovative checking account products, such as GoBank, that allow customers to acquire and manage their checking account entirely through a mobile application available on smartphone devices. Our GoBank product is available nationwide via GoBank.com and through a downloadable app on leading app stores, as well as off the rack at Walmart stores nationwide.

Open Loop Gift Cards. We offer general purpose, non-reloadable gift cards. These Visa- or MasterCard-branded gift cards can be used by consumers to make purchases wherever Visa or MasterCard is accepted. Funds loaded onto gift cards are not insured by the FDIC, nor is it required that the customer provide personal identifiable information in order to use the product.

Processing and Settlement Services

Our processing and settlement services include both our reload services and tax refund processing services.

Reload Services. We generate cash transfer revenues when consumers use our reload services through the Green Dot Network. We offer consumers affordable and convenient ways to reload any of our GPR cards and cards from more

than 120 third-party prepaid card programs (our network acceptance members), and conduct other cash loading transactions through the Green Dot Network using retailers' specially-enabled point of sale ("POS") devices. Consumers

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can add funds directly to accounts we issue and accounts issued by our network acceptance members, to the extent those accounts are eligible to receive recurring deposits, through an automated POS swipe reload transaction. To complete transactions, consumers pay the cashier the desired amount to be reloaded, plus a service fee, and funds are reloaded onto the GPR card at the point of sale without further action required on the part of the consumer.
Historically, consumers were also able to conduct cash loading transactions using our MoneyPak PIN product, which prior to 2014 was offered in all of the retail locations where our GPR cards were sold. We began phasing out the MoneyPak PIN product in 2014 and discontinued offering that product by the end of the first quarter of 2015. We plan to introduce a next-generation MoneyPak product in the first half of 2016 across the store locations of our retail distributors.

Tax Refund Processing Services. We provide the processing technology that facilitates the receipt of a taxpayer's refund proceeds. We generate tax refund processing service revenues when a customer of a third party tax preparation company chooses to pay their tax preparation fee using our tax refund processing services, whereby we deduct the costs of the tax preparation service and our processing service from the taxpayer's refund, and remit the remaining net balance to the taxpayer per their instructions.

Our Distribution Channels

We achieve broad distribution of our products and services through distribution arrangements with more than 100,000 "brick and mortar" retail locations, digital and direct mail customer acquisition sources, and the leading app stores. Accounts issued by us or our network acceptance members can be reloaded at these brick and mortar retail locations. Most of our arrangements for brick and mortar retail locations have been in effect with our distributors for several years. These retail distributors have contracts with us, subject to termination rights, which expire at various dates through 2020. In general, our agreements with our retail distributors give us the right to offer GPR deposit account programs and reload services in their retail locations and require us to share with them by way of commissions the revenues generated through sales of these cards and reload services. We and the retail distributors generally also agree to certain marketing arrangements, such as promotions and advertising.

Our Relationship with Walmart. Walmart is our largest retail distributor. Green Dot Corporation has been the provider of Walmart-branded GPR cards sold at Walmart since the initiation of the Walmart MoneyCard program in 2007, and Green Dot Bank has been the issuer of those cards since early 2014. Pursuant to our agreement with Walmart, Green Dot designs and delivers the Walmart MoneyCard product and provides all ongoing program support, including network IT, regulatory and legal compliance, website functionality, customer service and loss management. Walmart displays and sells the cards and Green Dot Bank serves as the issuer of the cards and holds the associated FDIC-insured deposits. All Walmart MoneyCard products are reloadable exclusively on the Green Dot Network. In 2013, we began offering our Green Dot-branded cards at Walmart, providing consumers the choice to purchase either Green Dot-branded cards or any of the Walmart MoneyCard products, and during the fourth quarter of 2014, our GoBank checking account product was launched and made available in a retail setting at Walmart. Our operating revenues derived from products and services sold at the store locations of Walmart represented approximately 46%, 54%, and 64% of our total operating revenues for the years ended December 31, 2015, 2014, and 2013, respectively. The term of our Walmart MoneyCard agreement expires on May 1, 2020, with an automatic renewal clause for an additional period of two years, subject to certain terms as discussed in the agreement. This agreement can in limited circumstances, such as our failure to meet agreed-upon service levels and certain changes in control, be terminated by Walmart on relatively short notice.

Direct Channels. An increasing portion of our account sales are generated from digital and direct mail customer acquisition sources and we expect this trend to accelerate over time. Customers who acquire our accounts through these channels and pass identity verification typically receive an unfunded card in the mail and then can reload the card either through a cash reload or an ACH deposit transaction.

Network Acceptance Members. A large number of program managers that offer their own prepaid cards accept funds through the Green Dot Network. We provide reload services to more than 120 third-party prepaid card programs, including programs offered by UniRush and H&R Block. MasterCard’s RePower Reload Network also uses the Green Dot Network to facilitate cash reloads for its own member programs. In addition, we provide reload services to other kinds of financial services firms and their customers.

Tax Preparation Businesses. Our tax refund processing services are available to consumers through tax preparers in three core distribution channels: franchise tax preparers, independent tax preparers utilizing professional tax software, and taxpayers utilizing online tax preparation services. In general, our distribution agreements consist of revenue-sharing arrangements under which we allow our channel partners to access and utilize our processing and settlement

technology as part of the tax preparation process. When our processing technology is utilized, a fee is paid by the consumer that is shared, subject to various terms of each particular distribution agreement, between the distribution partners and us.

Sales and Marketing

The primary objectives of our sales and marketing efforts are to educate consumers on the utility of our products and services in order to generate demand, and to instruct consumers on where they may purchase our products and services. We also seek to educate existing customers on the use of our products and services to encourage increased usage and retention of our products. We accomplish these objectives through various types of consumer-oriented marketing and advertising and by expanding our group of retail and other distributors to gain access to additional customers.

Marketing to Consumers

We market our products to a broad group of consumers, ranging from never-banked to fully-banked consumers. We are focusing our current sales and marketing efforts on acquisition of long-term users of our products, enhancing our brands and image, building market adoption and awareness of our products, improving customer retention, and increasing card usage. To achieve these objectives, we highlight to consumers the core benefits of our products and services and how the use of our products can solve their fundamental money management needs.

Marketing to Business Partners

We use a variety of marketing strategies to engage with our business partners, including retail distributors, tax preparation partners, and network acceptance members.

When marketing our prepaid financial services to potential new retail distributors, we highlight several key benefits, including our leading national brand, our in-store presence and merchandising expertise, our cash reload network, the profitability of our products to them and our commitment to support our brand through national marketing efforts. In addition, we communicate the peripheral benefits of our products, such as their ability to generate additional foot traffic and sales in their stores and higher average purchase amounts per transaction. We engage in similar strategies when marketing to our tax preparation partners.

We market our reload network to a broad range of banks, third-party processors, program managers and others that have uses for our reload network’s cash transfer technology. When marketing to potential network acceptance members, we highlight the key benefits of our cash loading network, including the breadth of our distribution capabilities, our leadership position in the industry, the profitability of our products to them, consumer satisfaction owing to the consistency in the user experience and our ongoing support of our network's offerings through national marketing to consumers and retail partners.

Customer Service

We provide customer service through numerous technologies and channels for all of the products provided by our company to consumers. We utilize both in-house and third-party call centers, as well as Interactive Voice Response systems, web-based support and email support in our customer service efforts.

Seasonality

In the industries for prepaid financial services and tax refund processing, companies commonly experience seasonal fluctuations in revenue. For example, in recent years, 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 cards, which caused our operating revenues to be typically higher in the first halves of those years than they were in the corresponding second halves of those years. Additionally, our tax refund processing services business is 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. We expect our revenue to continue to fluctuate based on seasonal factors that affect the prepaid financial services and tax refund processing industries as a whole.

Competition

Our core businesses include the offering of prepaid cards, checking accounts and financial transaction processing services to a wide range of consumers through broad, national distribution channels. Consequently, we compete against companies across the retail banking, financial services, and transaction processing services industries. In addition to the direct competitors described below, we compete for access to retail distribution channels, allocation of

shelf space within those retail distributors, and for the attention of consumers at the retail level and online. Furthermore, many of our competitors are entities substantially larger in size, more highly diversified in revenue and substantially more established in age with significantly more broadly known brand awareness than ours. As such, many of our

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competitors can leverage their size, financial wherewithal, brand awareness, pricing power and technological assets to compete with us.

Prepaid Card Issuance and Program Management

We offer branded and private label deposit account card programs that directly compete with other banks that issue prepaid cards and other program managers that provide turn-key services for prepaid card programs. Primary competitors in this business include traditional credit, debit and prepaid card account issuers and prepaid card program managers like Chase, USBank, American Express, First Data, NetSpend/TSYS, UniRush, InComm, Western Union, MoneyGram, and Blackhawk Network Inc. In addition, from time to time, new entrants introduce prepaid card products or other products that seek to target that similar customer that could increase competition in this market.

Reload Networks

We offer our POS swipe reload proprietary products, which enable cash loading and transfer services through our Green Dot Network. While we believe our Green Dot Network is the leading reload network for prepaid cards in the United States, a growing number of companies are attempting to establish and grow their own reload networks. In this market, new companies, or alliances among existing companies, may be formed that rapidly achieve a significant market position. Many of these companies are substantially larger than we are and have greater resources, larger and more diversified customer bases and greater name recognition than we do. Our primary competitors in the reload network services market are: Visa, Western Union, MoneyGram, Blackhawk Network, Inc., and InComm. Visa has broad brand recognition and a large base of merchant acquiring and card issuing banks. Western Union, MoneyGram, Blackhawk Network, Inc., and InComm each have a national network of retail and/or agent locations. In addition, we compete for consumers and billers with financial institutions that provide their retail customers with billing, payment and funds transfer services. Many of these institutions are substantially larger and have greater resources, larger and more diversified customer bases and greater brand recognition than we do.

Tax Refund Processing

Our tax refund processing services compete directly with similar processing technologies and settlement capabilities offered by companies such as Refundo, Refund Advantage, Republic Bank and others. Furthermore, other entities, like Jackson Hewitt and H&R Block, have either fully or partially internally-developed processing and settlement capabilities to self-provide services similar to ours. It is possible that our current or potentially new distribution partners may seek to develop their own internal capabilities that compete with our tax refund processing services.

Consumer Banking Services

With our GoBank product, we have expanded into the market for consumer checking accounts. In this market we compete against a wide range of both traditional and non-traditional banks, including the largest banks. Many of these banks have greater resources, larger and more diversified customer bases and greater brand recognition than we do. Many of these banks also have other assets that could give them an advantage, including broader ranges of product offerings and/or retail branch networks. We believe that our consumer checking account products are differentiated by their innovative technological features, innovative distribution model, consumer-friendly pricing, and branding.

Intellectual Property

We rely on a combination of patent, trademark and copyright laws and trade secret protections in the United States, as well as confidentiality procedures and contractual provisions, to protect the intellectual property rights related to our products and services.

We own several trademarks, including Green Dot and GoBank. Through agreements with our network acceptance members, retail distributors and customers, we authorize and monitor the use of our trademarks in connection with their activities with us.

Our patent portfolio currently consists of eight patents and ten patent applications. The term of the patents we hold is, on average, twenty years. We feel our patents and applications are important to our business and help to differentiate our products and services from those of our competitors.

The industries in which we compete are characterized by rapidly changing technology, a large number of patents, and frequent claims and related litigation regarding patent and other intellectual property rights. There can be no assurance that our patents and other proprietary rights will not be challenged, invalidated, or circumvented; that others will not assert intellectual property rights to technologies that are relevant to us; or that our rights will give us a competitive

advantage. In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as the laws of the United States. The risks associated with patents and intellectual property are more fully discussed in "Item 1A. Risk Factors," including the risk factors entitled "We must adequately protect our brand and the intellectual

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property rights related to our products and services and avoid infringing on the proprietary rights of others," and "We must be able to operate and scale our technology effectively to manage any future growth."

Regulation

Compliance with legal and regulatory requirements is a highly complex and integral part of our day-to-day operations. Our products and services are generally subject to federal, state and local laws and regulations, including:

- anti-money laundering laws;
- money transfer and payment instrument licensing regulations;
- escheatment laws;
- privacy and information safeguard laws;
- banking regulations; and
- consumer protection laws.

These laws are often evolving and sometimes ambiguous or inconsistent, and the extent to which they apply to us, our subsidiary bank or the banks that issue our cards, our retail distributors, our tax preparation partners, our network acceptance members or our third-party processors is at times unclear. Any failure to comply with applicable law - either by us or by the card issuing banks, retail distributors, tax preparation partners, network acceptance members or third-party processors, over which we have limited legal and practical control - could result in restrictions on our ability to provide our products and services, as well as the imposition of civil fines and criminal penalties and the suspension or revocation of a license or registration required to sell our products and services.

We continually monitor and enhance our compliance program to stay current with the most recent legal and regulatory changes. We also continue to implement policies and programs and to adapt our business practices and strategies to help us comply with current legal standards, as well as with new and changing legal requirements affecting particular services or the conduct of our business generally. These programs include dedicated compliance personnel and training and monitoring programs, as well as support and guidance to our business partners on matters of regulatory compliance programs and best practices.

Anti-Money Laundering Laws

Our products and services are generally subject to federal anti-money laundering laws, including the Bank Secrecy Act, as amended by the USA PATRIOT Act, and similar state laws. On an ongoing basis, these laws require us, among other things, to:

- report large cash transactions and suspicious activity;
- screen transactions against the U.S. government's watch-lists, such as the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control;
- prevent the processing of transactions to or from certain countries, individuals, nationals and entities;
- identify the dollar amounts loaded or transferred at any one time or over specified periods of time, which requires the aggregation of information over multiple transactions;
- gather and, in certain circumstances, report customer information;
- comply with consumer disclosure requirements; and
- register or obtain licenses with state and federal agencies in the United States and seek registration of our retail distributors and network acceptance members when necessary.

Anti-money laundering regulations are constantly evolving. We continuously monitor our compliance with anti-money laundering regulations and implement policies and procedures in order to comply with the most current legal requirements. We cannot predict how these future regulations might affect us. Complying with future regulation could be expensive or require us to change the way we operate our business.

We are registered with the Financial Crimes Enforcement Network, or FinCEN, as a money services business. As a result of being so registered, we have established anti-money laundering compliance programs that include: (i) internal policies and controls; (ii) designation of a compliance officer; (iii) ongoing employee training and (iv) an independent review function. We have developed and implemented compliance programs comprised of policies, procedures, systems and internal controls to monitor and address various legal requirements and developments. To assist in managing and monitoring money laundering risks, we continue to enhance our anti-money laundering

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compliance program. We offer our services largely through our retail distributor and network acceptance member relationships. We have developed an anti-money laundering training manual and a program to assist in educating our retail distributors on applicable anti-money laundering laws and regulations.

Money Transmitter Licensing Regulations

We are subject to money transmitter licensing regulations. We have obtained licenses to operate as a money transmitter in 40 states, Puerto Rico and Washington, D.C. and have applied for licensure in one additional state after a change in their statute. The remaining U.S. jurisdictions either do not currently regulate money transmitters or have rendered a regulatory determination or a legal interpretation that the money services laws of that jurisdiction do not require us to obtain a license in connection with the conduct of our business. As a licensee, we are subject to certain restrictions and requirements, including reporting, net worth and surety bonding requirements and requirements for regulatory approval of controlling stockholders, agent locations and consumer forms and disclosures. Many states require that we must at all times maintain cash and highly rated investment securities in an amount equivalent to all outstanding settlement obligations. We are also subject to inspection by the regulators in the jurisdictions in which we are licensed, many of which conduct regular examinations.

Escheatment Laws

Unclaimed property laws of every U.S. jurisdiction require that we track certain information on our card products and services and that, if customer funds are unclaimed at the end of an applicable statutory abandonment period, the proceeds of the unclaimed property be remitted to the appropriate jurisdiction. We manage escheatment law compliance with respect to our card products and services and have an ongoing program to comply with those laws. Statutory abandonment periods applicable to our card products and services typically range from three to seven years.

Privacy and Information Safeguard Laws

In the ordinary course of our business, we collect certain types of data, which subjects us to certain privacy and information security laws in the United States, including, for example, the Gramm-Leach-Bliley Act of 1999, or the GLB Act, and other laws or rules designed to regulate consumer information and mitigate identity theft. We are also subject to privacy laws of various states. These state and federal laws impose obligations with respect to the collection, processing, storage, disposal, use and disclosure of personal information, and require that financial institutions have in place policies regarding information privacy and security. In addition, under federal and certain state financial privacy laws, we must provide notice to consumers of our policies and practices for sharing nonpublic information with third parties, provide advance notice of any changes to our policies and, with limited exceptions, give consumers the right to prevent use of their nonpublic personal information and disclosure of it to unaffiliated third parties. Certain state laws may, in some circumstances, require us to notify affected individuals of security breaches of computer databases that contain their personal information. These laws may also require us to notify state law enforcement, regulators or consumer reporting agencies in the event of a data breach, as well as businesses and governmental agencies that own data. In order to comply with the privacy and information safeguard laws, we have confidentiality/information security standards and procedures in place for our business activities and with network acceptance members and our third-party vendors and service providers. Privacy and information security laws evolve regularly, requiring us to adjust our compliance program on an ongoing basis and presenting compliance challenges.

Banking Regulations

We became a bank holding company in December 2011, as a result of our acquisition of Bonneville Bancorp, the holding company of Bonneville Bank, a state-chartered Utah bank, which was renamed Green Dot Bank after the acquisition. We and our subsidiary bank are extensively regulated under federal and state laws, which, in general, results in increased compliance costs and other expenses, as we and our subsidiary bank are required to undergo regular on-site examinations and to comply with additional reporting requirements. As a bank holding company, we are subject to the supervision of, and inspection by, the Federal Reserve Board and the State of Utah Department of Financial Institutions and are subject to certain regulations which, among other things, restrict our business and the activities in which we may engage. Our existing business activities and currently proposed business activities are not materially restricted by these regulations.

Activities. Federal laws restrict the types of activities in which bank holding companies may engage, and subject them to a range of supervisory requirements, including regulatory enforcement actions for violations of laws and policies.

Bank holding companies may engage in the business of banking and managing and controlling banks, as well as closely related activities. In addition, financial holding companies may engage in a wider set of activities, including with respect to securities activities and investments in companies engaged in nonbanking activities. The business activities that we currently conduct are permissible activities for bank holding companies under U.S. law, and we do not expect the limitations described above will adversely affect our current operations or materially restrict us from engaging in

activities that are currently contemplated by our business strategies. It is possible, however, that these restrictions could limit our ability to enter other businesses in which we may wish to engage at some time in the future. It is also possible that in the future these laws may be amended in ways, or new laws or regulations may be adopted, that adversely affect our ability to engage in our current or additional businesses.

Even if our activities are permissible for a bank holding company, as discussed under "— Capital Adequacy" below, the Federal Reserve Board has the authority to order a bank holding company or its subsidiaries to terminate any activity or to require divestiture of ownership or control of a subsidiary in the event that it has reasonable cause to believe that the activity or continued ownership or control poses a serious risk to the financial safety, soundness or stability of the bank holding company or any of its bank subsidiaries.

Dividend Restrictions. Bank holding companies are subject to various restrictions that may affect their ability to pay dividends. Federal and state banking regulations applicable to bank holding companies and banks generally require that dividends be paid from earnings and, as described under "— Capital Adequacy" below, require minimum levels of capital, which limits the funds available for payment of dividends. Other restrictions include the Federal Reserve Board's general policy that bank holding companies should pay cash dividends on common stock only out of net income available to stockholders for the preceding year or four quarters and only if the prospective rate of earnings retention is consistent with the organization's expected future needs and financial condition, including the needs of each of its bank subsidiaries. In the current financial and economic environment, the Federal Reserve Board has indicated that bank holding companies should carefully review their dividend policies and has discouraged dividend pay-out ratios that are at the 100% level unless both their asset quality and capital are very strong. A bank holding company also should not maintain a dividend level that places undue pressure on the capital of its bank subsidiaries, or that may undermine the bank holding company's ability to serve as a source of strength for its bank subsidiaries. See "— Source of Strength" below.

Capital Adequacy. Bank holding companies and banks are subject to various requirements relating to capital adequacy, including limitations on leverage. As a bank holding company that is a financial holding company, we are required to be "well-capitalized," meaning we must maintain certain capital and leverage requirements. Our subsidiary bank is also subject to separate capital and leverage requirements that we have committed to with the Federal Reserve Board and Utah Department of Financial Institutions. As of December 31, 2015, we and our subsidiary bank are each "well-capitalized" under the above standards and presently exceed our respective capital and leverage commitments.

Under the regulatory framework that Congress has established and bank regulators have implemented, banks are either "well-capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized
Banks are generally subject to greater restrictions and supervision than bank holding companies, and these restrictions increase as the financial condition of the bank worsens. For instance, a bank that is not well-capitalized may not accept, renew or roll over brokered deposits without the consent of the FDIC. If our subsidiary bank were to become less than adequately capitalized, the bank would need to submit to bank regulators a capital restoration plan that was guaranteed by us, as its bank holding company. The bank would also likely become subject to further restrictions on activities, such as entering into new lines of business, or would be required to conduct activities that have the effect of limiting asset growth or preventing acquisitions. A bank that is undercapitalized would also be prohibited from making capital distributions, including dividends, and from paying management fees to its bank holding company if the institution would be undercapitalized after any such distribution or payment. A significantly undercapitalized institution would be subject to mandatory capital raising activities, restrictions on interest rates paid and transactions with affiliates, removal of management and other restrictions. The FDIC has only very limited discretion in dealing with a critically undercapitalized institution and is virtually required to appoint a receiver or conservator. As of December 31, 2015, Green Dot Bank remained well-capitalized. The Bank also met the definition of well-capitalized at its most recent examination date.

For more information on regulatory capital rules, capital composition and pending or proposed regulatory capital changes, see "Management's Discussion and Analysis of Financial Condition and Results of Operations--Capital Management" below and Note 21 – Regulatory Requirements to the Consolidated Financial Statements included herein, which are incorporated by reference in this Item 1.

Source of Strength. Under Federal Reserve Board policy, bank holding companies are expected to act as a source of strength to their bank subsidiaries and to commit resources to support each such subsidiary. This support may theoretically be required by the Federal Reserve Board at times when the bank holding company might otherwise determine not to provide it. As noted above, if a bank becomes less than adequately capitalized, it would need to submit an acceptable capital restoration plan that, in order to be acceptable, would need to be guaranteed by the parent holding company. In the event of a bank holding company's bankruptcy, any commitment by the bank holding company to a federal bank regulator to maintain the capital of a subsidiary bank would be assumed by the bankruptcy trustee

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and entitled to a priority of payment. In addition, under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, the Federal Reserve Board is required to adopt new regulations formally requiring bank holding companies to serve as a source of strength to their subsidiary depository institutions. The Federal Reserve Board has not yet proposed rules to implement this requirement.

Acquisitions of Bank Holding Companies. 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 is conclusively presumed to exist 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 particularly if the third party was not also a bank holding company.

Deposit Insurance and Deposit Insurance Assessments. Deposits accepted by banks, such as our subsidiary bank, have the benefit of FDIC insurance up to the applicable limits. The FDIC's Deposit Insurance Fund is funded by assessments on insured depository institutions, the level of which depends on the risk category of an institution and the amount of insured deposits that it holds. These rates currently range from 2.5 to 45 basis points on deposits. The FDIC may increase or decrease the assessment rate schedule semi-annually, and has in the past required and may in the future require banks to prepay their estimated assessments for future periods. The Dodd-Frank Act changes the method of calculating deposit assessments, requiring the FDIC to assess premiums on the basis of assets less tangible stockholders' equity. The FDIC has indicated that this change will likely result in a lower assessment rate because of the larger assessment base. Because of the current stress on the FDIC's Deposit Insurance Fund resulting from the banking crisis, those fees have increased and are likely to stay at a relatively high level.

Community Reinvestment Act. The Community Reinvestment Act of 1977, or CRA, and the regulations promulgated by the FDIC to implement the CRA are intended to ensure that banks meet the credit needs of their respective service areas, including low and moderate income communities and individuals, consistent with safe and sound banking practices. The CRA regulations also require the banking regulatory authorities to evaluate a bank's record in meeting the needs of its service area when considering applications to establish new offices or consummate any merger or acquisition transaction. The federal banking agencies are required to rate each insured institution's performance under the CRA and to make that information publicly available. Our subsidiary bank currently complies with the CRA through investments and other activities that are designed to benefit the needs of low and moderate income communities.

Restrictions on Transactions with Affiliates and Insiders. Transactions between a bank and its nonbanking affiliates are regulated by the Federal Reserve Board. These regulations limit the types and amount of these transactions, require certain levels of collateral for loans to affiliated parties and generally require those transactions to be on an arm's-length basis. As a bank holding company, transactions between Green Dot Bank and us, including our nonbanking subsidiaries, are limited by these regulations, although we do not anticipate that these restrictions will adversely affect our ability to conduct our current operations or materially prohibit us from engaging in activities that are currently contemplated by our business strategies.

Issuing Banks. All of the GPR cards that we provide and the Walmart gift cards we service are issued by Green Dot Bank or either a federally- or state-chartered third-party bank. Thus, we are subject to the oversight of the regulators for, and certain laws applicable to, these card issuing banks. These banking laws require us, as a servicer to the banks that issue our cards, to among other things, undertake compliance actions similar to those described under "Anti-Money Laundering Laws" above and comply with the privacy regulations promulgated under the GLB Act as discussed under "Privacy and Information Safeguard Laws" above. Our subsidiary bank is subject to the additional regulatory oversight and legal obligations described above, in its capacity as issuing bank of our GPR cards.

Other. The policies of regulatory authorities, including the monetary policy of the Federal Reserve Board, have a significant effect on the operating results of bank holding companies and their subsidiaries. Moreover, additional changes to banking laws and regulations are possible in the near future. The Dodd-Frank Act made numerous changes to the regulatory framework governing banking organizations. Our costs and revenues could be negatively impacted as additional final rules of the Dodd-Frank Act are adopted.

Consumer Protection Laws

We are subject to state and federal consumer protection laws, including laws prohibiting unfair and deceptive practices, regulating electronic fund transfers and protecting consumer nonpublic information. We believe that we have appropriate procedures in place for compliance with these consumer protection laws, but many issues regarding our service have not yet been addressed by the federal and state agencies charged with interpreting the applicable laws.

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In order to permit the direct deposit of Federal benefits and other Federal funds to our products, we comply with the requirements of the Electronic Fund Transfer Act of the Federal Reserve Board, or Regulation E, as they relate to payroll cards, including disclosure of the terms of our electronic fund transfer services to consumers prior to their use of the service, 21 days' advance notice of material changes, specific error resolution procedures and timetables, and limits on customer liability for transactions that are not authorized by the consumer.

In December 2014, the Consumer Financial Protection Bureau, or CFPB, issued a notice of proposed rulemaking requesting comment on proposed amendments to Regulation E, which implements the Electronic Fund Transfer Act, and Regulation Z, which implements the Truth in Lending Act. The proposed rules seek to, among other things, create comprehensive consumer protections for prepaid financial products, create a new disclosure regime regarding fees charged for acquiring and using prepaid cards, and impose new requirements on any credit features associated with prepaid accounts. If the CFPB's rulemaking or other 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.

Payment Networks

In order to provide our products and services, we, as well as our subsidiary bank, Green Dot Bank, are contracted members with Visa and MasterCard and, as a result, are subject to payment network rules that could subject us to a variety of fines or penalties that may be levied by the payment networks for certain acts or omissions. Visa and MasterCard set the standards with which we and the card issuing banks must comply.

Employees

As of December 31, 2015, we had 1,012 employees, including 703 in general and administrative, 51 in sales and marketing, and 258 in research and product development. None of our employees is represented by a labor union or is covered by a collective bargaining agreement. We have never experienced any employment-related work stoppages and consider relations with our employees to be good.

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ITEM 1A. Risk Factors

Risks Related to Our Business

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

Our quarterly and annual results of operations may fluctuate in the future as a result of a variety of factors, many of which are outside of our control. If our 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, but not limited to:

- the timing and volume of purchases, use and reloads of our prepaid cards and other products and services;
- the timing and volume of tax refunds processed by us, including the impact of any general delays in tax refund disbursements from the U.S. and State Treasuries;
- the timing and success of new product or service introductions by us or our competitors;
- seasonality in the purchase or use of our products and services;
- changes in the level of interchange rates that can be charged;
- fluctuations in customer retention rates;
- changes in the mix of products and services that we sell;
- changes in the mix of retail distributors through which we sell our products and services;
- the timing of commencement, renegotiation or termination of relationships with significant retail distributors and network acceptance members;
- the timing of commencement of new product development and initiatives that cause us to expand into new distribution channels, the timing of costs of existing product roll-outs to new retail distributors and the length of time we must invest in those new products, channels or retail distributors before they generate material operating revenues;
- our ability to effectively sell our products through online and direct mail marketing initiatives;
- our ability to obtain timely regulatory approval for strategic initiatives;
- changes in our or our competitors' pricing policies or sales terms;
- significant changes in our risk policies and controls;
- the amount and timing of costs related to fraud losses;
- the amount and timing of commencement and termination of major advertising campaigns, including sponsorships;
- the amount and timing of costs related to the development or acquisition of complementary businesses;
- the amount and timing of costs of any major litigation to which we are a party;
- the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of our business, operations and infrastructure, including our investments in a processing solution to replace our current processing services provider;
- accounting charges related to impairment of capitalized internal-use software, intangible assets and goodwill;
- our ability to control costs, including third-party service provider costs and sales and marketing expenses in an increasingly competitive market;
- volatility in the trading price of our Class A common stock, which may lead to higher or lower stock-based compensation expenses; and
- changes in the political or regulatory environment affecting the banking or electronic payments industries generally or the industries for prepaid financial services and tax refund processing specifically.

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The loss of operating revenues from Walmart or any of our largest retail distributors would adversely affect our business.

Historically, most of our operating revenues were derived from prepaid financial services sold at our four largest retail distributors. As a percentage of total operating revenues, operating revenues derived from products and services sold at the store locations of Walmart was approximately 46% for the year ended December 31, 2015. We expect that Walmart will continue to have a significant impact on our operating revenues in future years, particularly in our Account Services segment. It would be difficult to replace Walmart and the operating revenues derived from products and services sold at their stores. Accordingly, the loss of Walmart would have a material adverse effect on our business. In addition, any publicity associated with the loss of any of our large retail distributors could harm our reputation, making it more difficult to attract and retain consumers and other retail distributors, and could lessen our negotiating power with our remaining and prospective retail distributors.

Our contracts with our retail distributors have terms that expire at various dates through 2020, and they 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 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 operating results could suffer if, among other things, any of our retail distributors 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 our success 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 business, operating results and financial condition would be harmed. Substantially all the revenues we generate from our tax refund processing services have come from sales through a relatively small number of tax preparation firms. We do not have long-term contractual commitments from any of our current tax preparation partners and our tax preparation partners may elect to not renew their contracts with us with little or no advance notice. As a result, we cannot be assured 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 retail distributors and tax preparation partners, but their interests and operational decisions might not always align with our interests.

Most of our operating revenues are derived from our products and services sold at the stores of our retail distributors. In addition, a large portion of our Processing and Settlement Services revenues are dependent on tax preparation partners as 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 retail distributors and tax preparation partners depend on a number of factors outside our control and may vary from period to period. Because we compete with many other providers of products, including competing prepaid cards and tax refund processing 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 our retail distributors and tax preparation partners and their willingness 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 products and services; they could give higher priority to the products and services of other companies for a variety of reasons. Accordingly, losing the support of our retail distributors and tax preparation partners might limit or reduce the sales of our products and services. Our operating revenues and operating expenses may also be negatively affected by operational decisions by our 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 types for tax refund processing services, including those of our competitors. Even if our retail distributors and tax preparation partners actively and effectively promote our products and services, there can be no assurance that their efforts will maintain or result in growth of our operating revenues.

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Our operating revenues for a particular period are difficult to predict, and a shortfall in our operating revenues may harm our results of operations.

Our operating revenues for a particular period are difficult to predict. Our total operating revenues may decline or grow at a slower rate than in prior periods. Our ability to meet financial expectations could be adversely affected by various factors, such as the failure of our supply chain management efforts to increase revenues, delays in implementing revenue growth activities or the failure of these activities to generate expected revenues, and increased competition within the store locations of many of our largest retail distributors.

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

Either of the above factors could have a material adverse impact on our business, operating results and financial condition.

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, in recent years, 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 cards, which caused our operating revenues to be typically higher in the first halves of those years than they were in the corresponding second halves of those years. Additionally, our tax refund processing services business is 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 operating cash flows could fluctuate materially from period to period.

The industries in which we compete are highly competitive, which could adversely affect our operating results.

The prepaid financial services and tax refund services industries are highly competitive and include a variety of financial and non-financial services vendors. We expect conditions in the markets in which we compete will remain highly competitive. For example, Walmart, CVS and others have been selling competitive products at their store locations for the past several years. Competition is expected to negatively impact our operating revenues, and could cause us to compete on the basis of price or increase our sales and marketing expenses, any of which would likely seriously harm our business, operating results and financial condition. Our current and potential competitors include:

- prepaid card program managers, such as American Express, First Data, Total Systems Services, and traditional banks, such as J.P. Morgan Chase;
- reload network providers, such as Visa, Western Union and MoneyGram;
- prepaid card distributors, such as InComm and Blackhawk Network; and
- providers of tax refund processing services, including tax preparation businesses with their own internally-developed products and services and independent providers, such as Republic Bank & Trust Company.

Some of these vendors compete with us in more than one of the vendor categories described above, while others are primarily focused in a single category. In addition, competitors in one category have worked or are working with competitors in other categories to compete with us. A portion of our cash transfer revenues is derived from reloads to cards managed by companies that compete with us as program managers. We also face actual and potential competition from retail distributors or from other companies, such as PayPal and Visa that have decided or may in the future decide to compete, or compete more aggressively, in the prepaid financial services industry. Similarly, some of our tax preparation partners have developed or may seek to develop their own products and services that compete with our tax refund processing services.

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We also compete with businesses outside of the prepaid financial services industry, including traditional providers of financial services, such as banks that offer demand deposit accounts and card issuers that offer credit cards, private label retail cards and gift cards. In particular, our GoBank product is designed to compete directly with banks by providing products and services that they have traditionally provided. These and other competitors in the larger electronic payments industry are introducing new and innovative products and services, such as those involving radio frequency and proximity payment devices (such as contactless cards), e-commerce and mobile commerce, that compete with ours. We expect that this competition will continue as the prepaid financial services industry and the larger banking and electronic payments industry continues to rapidly evolve. We also expect to compete with businesses outside the traditional tax refund processing services industry in the future as new entrants seek to develop software solutions that may replace the need for our tax refund processing services.

Many existing and potential competitors have longer operating histories and greater name recognition than we do. In addition, many of our existing and potential competitors are substantially larger than we are, may already have or could develop substantially greater financial and other resources than we have, may offer, develop or introduce a wider range of programs and services than we offer or may use more effective advertising and marketing strategies than we do to achieve broader brand recognition, customer awareness and retail penetration. We could also experience increased price competition. If this happens, we expect that the purchase and use of our products and services would decline. If price competition materially intensifies, we may have to increase the incentives that we offer to our retail distributors and our tax preparation partners and decrease the prices of our products and services, any of which would likely adversely affect our operating results.

Our long-term success depends on our ability to compete effectively against existing and potential competitors that seek to provide prepaid cards or other electronic payment products and services or tax refund processing services. If we fail to compete effectively against any of the foregoing threats, our revenues, operating results, prospects for future growth and overall business could be materially and adversely affected.

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. We will continue to make investments in research, development, and marketing for new products and services, including our secured credit card product, the Green Dot Money marketplace and our on-demand workforce solutions. Investments in new products and services are speculative. Commercial success depends on many factors, including innovativeness, price, the competitive environment and effective distribution and marketing. 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.

Acquisitions or investments could disrupt our business and harm our financial condition.

We have in the past acquired, and we expect to acquire in the future, other businesses and technologies. The process of integrating an acquired business, product, service or technology can create unforeseen operating difficulties, expenditures and other challenges such as:

- increased regulatory and compliance requirements;
- regulatory restrictions on revenue streams of acquired businesses;
- 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 to acquisition integration challenges;
- coordination of product, sales, marketing and program, and systems management functions;
- transition of the acquired company's users and customers onto our systems;
- retention of employees from the acquired company;
- integration of employees from the acquired company into our organization;
-

integration of the acquired company’s accounting, information management, human resource and other administrative systems and operations generally with ours;

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- 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 difficulties 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 suffer harm to our business generally. Unanticipated costs, delays or other operational or financial problems related to integrating the acquired company and business with our company may result in the diversion of our management's attention from other business issues and opportunities. To integrate acquired businesses, we must implement our technology systems in the acquired operations and integrate and manage the personnel of the acquired operations. We also must effectively integrate the different cultures of acquired business organizations into our own in a way that aligns various interests, and may need to enter new markets in which we have no or limited experience and where competitors in such markets have stronger market positions. Failures or difficulties in integrating the operations of the businesses that we acquire, including their personnel, technology, compliance programs, risk management systems, financial systems, distribution and general business operations and procedures, marketing, promotion and other relationships, may affect our ability to grow and may result in us incurring asset impairment or restructuring charges. 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.

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 impairment charges against goodwill on our balance sheet, any of which could harm our financial condition and negatively impact our stockholders.

Fraudulent and other illegal activity involving our products and services could lead to reputational damage to us, reduce the use and acceptance of our cards and reload network, reduce the use of our tax refund processing services, and may adversely affect our financial position and results of operations.

Criminals are using increasingly sophisticated methods to engage in illegal activities involving prepaid cards, reload products or customer information. In addition, to the extent our checking account products become widely adopted by consumers, we expect that criminals will target our checking account products as well. Illegal activities involving our products and services often include malicious social engineering schemes, where people are asked to provide a prepaid card or reload product in order to obtain a loan or purchase goods or services. Illegal activities may also include fraudulent payment or refund schemes and identity theft. We rely upon third parties for some 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 cards and other products and services, could result in reputational damage to us, which could reduce the use and acceptance of our cards and other products and services, cause retail distributors or network acceptance members 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 adversely affect our business, operating results and financial condition. Furthermore, to address the challenges we face with respect to fraudulent activity, we've 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 adversely affect our new card activations from legitimate customers for the foreseeable future and that our operating revenues will be negatively impacted as a result.

As a bank holding company, we are subject to extensive and potentially changing regulation and may be required to serve as a source of strength for Green Dot Bank, which may adversely affect our business, financial position and results of operations.

As a bank holding company, we 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 regulations and

other commitments we have agreed to, including financial commitments in respect to minimum capital and leverage requirements. If we fail to comply with any of these requirements, we may become subject to formal or informal enforcement actions, proceedings, or investigations, which could result in regulatory orders, restrictions on our business operations or requirements to take corrective actions, which may, individually or in the aggregate, affect our results of operations and restrict our ability to grow. If we fail to comply with the applicable capital and leverage requirements, or if our subsidiary bank fails to comply with its applicable capital and leverage commitments, the Federal Reserve

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Board may limit our ability to pay dividends or fund stock repurchases, or if we become less than adequately capitalized, require us to raise additional capital. In addition, as a bank holding company and a financial holding company, we are generally prohibited from engaging, directly or indirectly, in any activities other than those permissible for bank holding companies and financial holding companies. This restriction might limit our ability to pursue future business opportunities which we might otherwise consider but which might fall outside the scope of permissible activities.

Moreover, in response to the financial crisis of 2008 and the Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, banking supervisors in the United States continue to implement a variety of new requirements on banking entities. Some of these requirements apply or will apply directly to us or to our subsidiary bank, while certain requirements apply or will apply only to larger institutions. Although we cannot anticipate the final form of many of these regulations, how they will affect our business or results of operations, or how they will change the competitive landscape in which we operate, such regulations could have a material adverse impact on our business and financial condition, particularly if they make it more difficult for us or our retail distributors to sell our card products.

Changes in laws and regulations to which we are subject, or to which we may become subject, may increase our costs of operation, decrease our operating revenues and disrupt our business.

The provision of banking services, prepaid financial services and tax refund processing services is highly regulated and, from time to time, the laws and regulations affecting these industries, and the manner in which they are interpreted, are subject to change and legal action. 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 an adverse effect on our results of operations. For example, we could face more stringent anti-money laundering 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 regulatory requirements were imposed on the sale of our products and services and our bank, the requirements could lead to a loss of retail distributors or tax preparation partners, which, in turn, could materially and adversely impact our operations. Moreover, if our products are adversely impacted by the interpretation or enforcement of these regulations or we or any of our retail distributors or tax preparation partners were unwilling or unable to make any 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 have a material adverse effect on our business, financial position and results of operations.

State and federal legislators and regulatory authorities are increasingly focused on the banking and consumer financial services industries, and may propose and adopt new legislation that could result in significant adverse changes in the regulatory landscape for financial institutions and financial services companies. In December 2014, the Consumer Financial Protection Bureau, or CFPB, issued a notice of proposed rulemaking requesting comment on proposed amendments to Regulation E, which implements the Electronic Fund Transfer Act and Regulation Z, which implements the Truth in Lending Act. The proposed rules seek to, among other things, create comprehensive consumer protections for prepaid financial products, create a new disclosure regime regarding fees charged for acquiring and using prepaid cards, and impose new requirements on any credit features associated with prepaid accounts. In November 2015, the CFPB updated their regulatory rulemaking agenda and anticipates a final rule in spring 2016.

If the CFPB's rulemaking or other 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 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. It is difficult to determine with any certainty what obligations the final rules, if any, might impose or what impact they might have on our business.

Changes in laws and regulations, or our failure to comply with existing laws and regulations, applicable to our tax refund-related services could have a material adverse effect on our business, prospects, results of operations, and financial condition.

We derive a significant portion of our total operating revenues and earnings from tax refund processing and settlement services. The tax preparation industry is regulated under a variety of statutes in addition to those regulations currently applicable to our legacy products and services, all of which are subject to change and which may impose significant costs, limitations or prohibitions on the way we conduct or expand our tax refund processing and related services. In recent years, state legislators, state attorneys general, and regulators have increased their focus on the tax preparation industry including tax refund processing services and the use thereof by tax preparation firms. Laws making such services less profitable, or even unprofitable, could be passed in any state at any time or existing

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laws could expire or be amended, any of which could have a material adverse effect on our business, prospects, results of operations, and financial condition. State regulators have broad discretionary power and may impose new requirements, interpret or enforce existing regulatory requirements in different ways or issue new administrative rules, even if not contained in state statutes, and state attorneys general could take actions, that affect the way we offer our tax refund-related services and may force us to terminate, modify, or cease our operations in particular states. State or Federal regulators could also impose rules that are generally adverse to our tax refund-related services. Any new requirements or rules, or new interpretations of existing requirements or rules, or failure to follow requirements or rules, or future lawsuits or rulings, could have a material adverse effect on our business, prospects, results of operations, and financial condition.

We operate in a highly regulated environment, and failure by us, the banks that issue our cards, the businesses that participate in our reload network, the banks that assist with our tax refund processing services, and our tax preparation partners to comply with applicable laws and regulations could have an adverse effect on our business, financial position and results of operations.

We operate in a highly regulated environment, and failure by us, the banks that issue our cards or the businesses that participate in our reload network to comply with the laws and regulations to which we are subject could negatively impact our business. We are subject to state money transmission licensing requirements and 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 and to help detect and prevent money laundering, terrorist financing and other illicit activities.

Many of these laws and regulations are evolving, unclear and inconsistent across various jurisdictions, and ensuring compliance with them is difficult and costly. For example, with increasing frequency, federal and state regulators are holding businesses like ours to higher standards of training, monitoring and compliance, including monitoring for possible violations of laws by the businesses that participate in our reload network. Failure by us or those businesses to comply with the laws and regulations to which we are or may become subject could result in 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 and other network participants, banks that issue our cards and regulators, and could materially and adversely affect our business, operating results and financial condition.

Changes in rules or standards set by the payment networks, such as Visa and MasterCard, or changes in debit network fees or products or interchange rates, could adversely affect 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, such as Total System Services, Inc and MasterCard PTS. 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 an adverse effect on our business, operating results and financial condition. In addition, from time to time, card associations increase the organization and/or processing fees that they charge, which could increase our operating expenses, reduce our profit margin and adversely affect our business, operating results and financial condition.

Furthermore, a substantial portion of our operating revenues is derived from interchange fees. For the year ended December 31, 2015, interchange revenues represented 28.3% 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 our subsidiary bank are exempt from the limitations imposed by the Dodd-Frank Act, there can be no assurance that future regulation or changes by the payment networks will not impact our interchange revenues substantially. 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 materially and adversely affected.

Our actual operating results may differ significantly from our guidance.
From time to time, we may 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. This guidance, which includes forward-looking statements, is based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to those projections.
Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and are based upon specific assumptions with respect to future business decisions, some of which will change. While we have stated and we intend to continue to state possible outcomes as high and low ranges that are intended to provide a sensitivity analysis as variables are changed, we can provide no assurances that actual results will not fall outside of the suggested ranges.
The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any of these persons.
Guidance is necessarily speculative in nature, 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. For example, on a number of occasions in 2014 and 2015 we adjusted our revenue guidance when actual results varied from our assumptions. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results will vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision with respect to our Class A common stock.
Any failure to implement our operating strategy successfully or the occurrence of any of the events or circumstances set forth in this Item 1A could result in our actual operating results being different from our guidance, and such differences may be adverse and material.
We receive important services from third-party vendors. Replacing them would be difficult and disruptive to our business.
Some services relating to our business, including fraud management and other customer verification services, transaction processing and settlement, 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 and our business and operations could be adversely affected. In particular, due to the seasonality in our business, any material service interruptions or service delays with key vendors during the tax season could result in losses that have an even greater adverse effect on that business than would be the case with our overall business.
Our business could suffer if there is a decline in the use of prepaid cards as a payment mechanism or there are adverse developments with respect to the prepaid financial services industry in general.
As the prepaid financial services industry evolves, consumers may find prepaid financial services to be less attractive than traditional or other financial services. Consumers might not use prepaid financial services for any number of reasons, including the general perception of our industry. For example, negative publicity surrounding other prepaid financial service providers could impact our business and prospects for growth to the extent it adversely impacts the perception of prepaid financial services among consumers. If consumers do not continue or increase their usage of prepaid cards, including making changes in the way prepaid cards are loaded, our operating revenues may remain at current levels or decline. Predictions by industry analysts and others concerning the growth of prepaid financial services as an electronic payment mechanism may overstate the growth of an industry, segment or category, and you should not rely upon them. The projected growth may not occur or may occur more slowly than estimated. If consumer acceptance of prepaid financial services does not continue to develop or develops more slowly than

expected or 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 material adverse effect on our financial position and results of operations.

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A data security breach could expose us to liability and protracted and costly litigation, and could adversely affect 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 in connection with the sale and use of our products and services. Our encryption software and the other technologies we use to provide security for storage, processing and transmission of confidential customer and other information may not be effective to protect against data security breaches by third parties. The risk of unauthorized circumvention of our security measures has been heightened by advances in computer capabilities and the increasing sophistication of hackers. Our retail distributors, tax preparation partners, network acceptance members, third-party processors and the merchants that accept our cards also may experience similar security breaches 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 cardholder or other customer or end-customer data and account information are stored could lead to fraudulent activity involving our products and services, reputational damage and claims or regulatory actions against us. If we are sued in connection with any data security breach, we could be involved in protracted and costly litigation. If unsuccessful in defending that litigation, we might be forced to pay damages and/or change our business practices or pricing structure, any of which could have a material adverse effect on our operating revenues and profitability. We would also likely have to pay (or indemnify the banks that issue our cards for) 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 at one of the third-party banks that issue our cards or at our retail distributors, tax preparation partners, network acceptance members, 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 replacement cards, manufacturing, distribution, re-stocking fees, fraud monitoring and other added security measures, amongst others, which could have a significant adverse impact on our operating results.

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

We are subject to regulatory oversight in the normal course of our business, and have been and from time to time may be subject to regulatory or judicial proceedings or investigations. The outcome of securities class actions and other litigation and regulatory or judicial proceedings or investigations is difficult to predict. Plaintiffs or regulatory agencies or authorities in these matters 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. The monetary and other impact 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 may be significant. Further, an unfavorable resolution of litigation, proceedings or investigations against us could have a material adverse effect 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 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. The outcome of any such litigation is difficult to predict and the cost to defend, settle or otherwise resolve these matters may be significant. For the foregoing reasons, if regulatory or judicial proceedings or investigations were to be initiated against us by private or governmental entities, our business, results of operations and financial condition could be adversely affected or our

stock price could decline.

We must adequately protect our brand and our intellectual property rights related to our products and services and avoid infringing on the proprietary rights of others.

The Green Dot, GoBank and TPG brands are important to our business, and we utilize trademark registrations and other means to protect them. Our business would be harmed if we were unable to protect our brand against infringement and its value was to decrease as a result.

We 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

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eight patents outstanding and ten patents 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.

Recent and proposed changes to U.S. patent laws and rules may also affect our ability to protect and enforce our intellectual property rights. For example, the Leahy-Smith America Invents Act transitions the manner in which patents are issued and changes the way in which issued patents are challenged. The long-term impact of these changes are unknown, but this law could cause a certain degree of uncertainty surrounding the enforcement and defense of our issued patents, as well as greater costs concerning new and existing patent applications.

We may unknowingly violate the intellectual property or other proprietary rights of others and, thus, may be subject to claims by third parties. These assertions may increase over time as a result of our growth and the general increase in the pace of patent claims assertions, particularly in the United States. 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 harm our business, results of operations, financial condition and prospects.

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 materially and adversely affected.

Additionally, our cardholders can incur charges in excess of the funds available in their accounts, and we may become liable for these overdrafts. While we decline authorization attempts for amounts that exceed the available balance in a cardholder’s account, the application of card association rules, the timing of the settlement of transactions and the assessment of the card’s monthly maintenance fee, among other things, can result in overdrawn accounts. Maintenance fee assessment overdrafts occur as a result of our charging a cardholder, pursuant to the card’s terms and conditions, the monthly maintenance fee at a time when he or she does not have sufficient funds in his or her account. Our remaining overdraft exposure arises primarily from late-posting. A late-post occurs when a merchant posts a transaction within a payment network-permitted timeframe 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 amount of the transaction even if the cardholder has made additional purchases in the intervening period and funds are no longer available on the card at the time the transaction is posted.

We consider overdrawn account balances to be our receivables due from cardholders. We maintain reserves to cover the risk that we may not recover these receivables due from our cardholders, 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 materially and adversely affected.

An impairment charge of goodwill or other intangibles could have a material adverse impact on our financial condition and results of operations.

Because we have grown in part through acquisitions, our net goodwill and intangible assets represent a significant portion of our consolidated assets. Our net goodwill and intangible assets were $473.8 million as of December 31, 2015. Under accounting principles generally accepted in the United States, or U.S. GAAP, we are required to test the

carrying value of goodwill and intangible assets at least annually or sooner if events occur that indicate impairment could exist. These events or circumstances could include 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.

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U.S. GAAP requires us to assign and then test goodwill at the reporting unit level. If over a sustained period of time we experience a decrease in our stock price and market capitalization, which may serve as an estimate of the fair value of our reporting unit, this may be an indication of impairment. If the fair value of our reporting unit is less than its net book value, we may be required to record goodwill impairment charges in the future. In addition, if the revenue and cash flows generated from any of our other intangible assets is not sufficient to support its net book value, we may be required to record an impairment charge. The amount of any impairment charge could be significant and could have a material adverse impact on our financial condition and results of operations for the period in which the charge is taken.

If we are unable to keep pace with the rapid technological developments in our industry and the larger electronic payments industry necessary to continue providing our network acceptance members and cardholders with new and innovative products and services, the use of our cards and other products and services could decline.

The electronic payments industry is subject to rapid and significant technological changes, including continuing advancements in the areas of radio frequency and proximity payment devices (such as contactless cards), e-commerce and mobile commerce, among others. We cannot predict the effect of technological changes on our business. We rely in part on third parties, including some of our competitors and potential competitors, 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 transition to new services and technologies that we develop may be inhibited by a lack of industry-wide standards, by resistance from our retail distributors, network acceptance members, third-party processors or consumers to these changes, or by the intellectual property rights of third parties. Our future success will depend, in part, on our ability to develop new technologies and adapt to technological changes and evolving industry standards. These initiatives are inherently risky, and they may not be successful or may have an adverse effect on our business, financial condition and results of operations.

We face settlement risks from our retail distributors, which may increase during an economic downturn.

The majority of our business is conducted through retail distributors that sell our products and services to consumers at their store locations. Our retail distributors collect funds from the consumers who purchase our products and services and then must remit these funds directly to accounts established for the benefit of these consumers at the banks that issue our cards. The remittance of these funds by the retail distributor takes on average two business days. If a retail distributor 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 December 31, 2015, we had assets subject to settlement risk of $69.2 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 may be inadequate, and we may be unable to detect and take steps to mitigate an increased credit risk in a timely manner.

Economic downturns 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 material adverse effect on our business, results of operations and financial condition.

Economic, political and other conditions may adversely affect trends in consumer spending.

The electronic payments industry, including the prepaid financial services segment within that industry, depends heavily upon the overall level of consumer spending. If conditions in the United States become uncertain or deteriorate, we may experience a reduction in the number of our cards 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 materially harm our business, results of operations and financial condition.

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

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 movement of large sums of money, processing of large numbers of transactions and management of the data necessary to do both. Our success in our

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branded and private label account programs, as well as our processing and settlement services, depends upon the efficient and error-free handling of the money that is a) collected by our retail distributors and remitted to network acceptance members or the banks that issue our cards and b) remitted from the IRS and states to taxpayers, tax refund preparation partners and the third party processors. 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, our network acceptance members and third-party processors to process and facilitate these transactions in an efficient, uninterrupted and error-free manner. Their failure to do so could materially and adversely impact our operating revenues and results of operations, particularly during the tax season, when we derive substantially all of operating revenues for our tax refund processing services and a significant portion of our other operating revenues.

In the event of a breakdown, a catastrophic event (such as fire, natural disaster, power loss, telecommunications failure or physical break-in), a security breach or malicious attack, an improper operation or any other event impacting our systems or processes, or those of our vendors, or an improper action by our employees, agents or third-party vendors, we could suffer financial loss, loss of customers, regulatory sanctions and damage to our reputation. The measures we have taken, including the implementation of disaster recovery plans and redundant computer systems, may not be successful, and we may experience other problems unrelated to system failures. We may also experience software defects, development delays and installation difficulties, any of which could harm our business and reputation and expose us to potential liability and increased operating expenses. 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 potentially to 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.

We must be able to operate and scale our technology effectively to manage any future growth.

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 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 adversely impact our business, financial condition and results of operations.

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

Our future success 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. Replacing departing key personnel can involve organizational disruption and uncertainty. We must retain and motivate existing personnel, and we must also attract, assimilate and motivate additional highly-qualified employees. We may experience difficulty in managing transitions and assimilating our newly-hired personnel, which may adversely affect our business. Additionally, continued activist shareholder activities involving our company could make it more difficult to attract and retain qualified personnel. 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. If we fail to attract, integrate, retain and incentivize key personnel, our ability to manage and grow our business could be harmed.

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. We may seek to raise capital by, among other things:

- issuing additional shares of our Class A common stock or other equity securities;
- issuing debt securities; and
- borrowing funds under a credit facility.

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 adversely affect our business. If we require new sources of

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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 harm our ability to maintain or grow our business.

The occurrence of catastrophic events could damage our facilities or the facilities of third parties on which we depend, which could force us to curtail our operations.

We and some of the third-party service providers on which we depend for various support functions, such as customer service and card processing, are vulnerable to damage from catastrophic events, such as power loss, natural disasters, terrorism and similar unforeseen events beyond our control. Our principal offices, for example, are situated in southern California near known earthquake fault zones. If any catastrophic event were to occur, our ability to operate our business could be seriously impaired. In addition, we might not have adequate insurance to cover our losses resulting from catastrophic events or other significant business interruptions. Any significant losses that are not recoverable under our insurance policies, as well as the damage to, or interruption of, our infrastructure and processes, could seriously impair our business and financial condition.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements on a timely basis could be impaired, which could result in a loss of investor confidence in our financial reports and have an adverse effect on our stock price.

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. If we are unable to maintain adequate internal control over financial reporting, we might be unable to report our financial information on a timely basis and might suffer adverse regulatory consequences or violate NYSE listing standards. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. We have in the past and may in the future discover areas of our internal financial and accounting controls and procedures that need improvement. Our internal control over financial reporting will not prevent or detect all error 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 will be met. 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 will be detected. 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, which could adversely affect 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.

Changes in accounting standards or inaccurate estimates or assumptions in the application of accounting policies could adversely affect our financial condition and results of operations.

Our accounting policies and methods are fundamental to how we record and report our financial condition and results of operations. Some of these policies require use of estimates and assumptions that may affect the reported value of our assets or liabilities and results of operations and are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain. If those assumptions, estimates or judgments were incorrectly made, we could be required to correct and restate prior period financial statements. Accounting standard-setters and those who interpret the accounting standards (such as the Financial Accounting Standards Board, the SEC, banking regulators and our independent registered public accounting firm) may also amend or even reverse their previous interpretations or positions on how various standards should be applied. These changes can be difficult to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retroactively, resulting in the need to revise and republish prior period financial statements.

Our debt agreements contain restrictive covenants and financial ratio tests that restrict or prohibit our ability to engage in or enter into a variety of transactions. If we fail to comply with these covenants or tests, our indebtedness under these agreements could become accelerated, which could adversely affect us.

In October 2014 we entered into a $225.0 million term credit agreement with Bank of America, N.A., as an administrative agent, Wells Fargo Bank, National Association, and other lenders. This agreement contains various

covenants that may have the effect of limiting, among other things, our ability and the ability of certain of our subsidiaries to: merge with other entities, enter into a transaction resulting in a change in control, create new liens, incur additional indebtedness, sell assets outside of the ordinary course of business, enter into transactions with affiliates (other than subsidiaries) or substantially change the general nature of our and our subsidiaries' business, taken as a whole, make certain investments, enter into restrictive agreements, or make certain dividends or other distributions. These restrictions

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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.
Under the agreement, we have agreed to maintain compliance with a maximum consolidated leverage ratio and a minimum consolidated fixed charge coverage ratio of 1.75 and 1.25, respectively, at the end of any fiscal quarter. Our ability to meet these financial ratios and tests will be dependent upon our future performance and may be affected by events beyond our control (including factors discussed in this “Risk Factors" section). If we fail to satisfy these requirements, our indebtedness under these agreements could become accelerated and payable at a time when we are unable to pay them. This would adversely affect our ability to implement our operating strategies and would have a material adverse effect on our financial condition.

Risks Related to Ownership of Our Class A Common Stock

The price of our Class A common stock may be volatile.

In the recent past, stocks generally, and financial services company stocks in particular, have experienced high levels of volatility. The trading price of our Class A common stock has been highly volatile since our initial public offering and may continue to be subject to wide fluctuations. The trading price of our Class A common stock depends on a number of factors, including those described in this “Risk Factors” section, many of which are beyond our control and may not be related to our operating performance. Factors that could cause fluctuations in the trading price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market prices and trading volumes of financial services company stocks;
- actual or anticipated changes in our results of operations or fluctuations in our operating results;
- actual or anticipated changes in the expectations of investors or the recommendations of any securities analysts who follow our Class A common stock;
- actual or anticipated developments in our business or our competitors’ businesses or the competitive landscape generally;
- the public’s reaction to our press releases, other public announcements and filings with the SEC;
- business disruptions and costs related to shareholder activism;
- litigation and investigations or proceedings involving us, our industry or both or investigations by regulators into our operations or those of our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- general economic conditions;
- changes to the indices in which our Class A common stock is included; and
- sales of shares of our Class A common stock by us or our stockholders.

In the past, many companies that have experienced volatility in the market price of their stock have become subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

Our business could be negatively affected by activist shareholder activities, including a proxy contest for the election of directors at our annual meeting, if any.

On January 25, 2016, Harvest Capital Strategies ("Harvest") delivered a letter to our Board of Directors that, among other things, called for the resignation or replacement of two of our Class III directors, the class whose term expires at our 2016 annual meeting of stockholders. Should Harvest or another stockholder launch a proxy contest for the election of directors at our annual meeting, our business could be adversely affected by the proxy contest because it:

- may require us to incur significant legal fees and proxy solicitation expenses;
- may require significant time and attention from management and the board of directors and direct their attention away from our operations;
- could interfere with our ability to identify or pursue strategic alternatives;

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- could give rise to perceived uncertainties as to our future direction;
- could adversely affect our relationships with key business partners and regulators;
- could result in loss of current or potential business opportunities;
- could make it more difficult to attract and retain qualified personnel; and
- could result in individuals being elected to our board of directors to pursue a particular agenda, which may adversely affect our ability to implement our business strategy and create stockholder value.

Our charter documents, Delaware law and our status as bank holding company could discourage, delay or prevent a takeover that stockholders consider favorable and could also reduce the market price of our stock.

Our certificate of incorporation and bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it more difficult for stockholders to nominate directors for election to our board of directors and take other corporate actions. These provisions, among other things:

- provide for non-cumulative voting in the election of directors;
- provide for a classified board of directors;
- authorize our board of directors, without stockholder approval, to issue preferred stock with terms determined by our board of directors and to issue additional shares of our Class A common stock;
- limit the voting power of a holder, or group of affiliated holders, of more than 24.9% of our common stock to 14.9%;
- provide that only our board of directors may set the number of directors constituting our board of directors or fill vacant directorships;
- prohibit stockholder action by written consent and limit who may call a special meeting of stockholders; and
- require advance notification of stockholder nominations for election to our board of directors and of stockholder proposals.

These and other 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.

If securities analysts do not continue to publish research or reports about our business or if they publish negative evaluations of our Class A common stock, the trading price of our Class A common stock could decline.

We expect that the trading price for our Class A common stock will be affected by any research or reports that securities analysts publish about us or our business. If one or more of the analysts who currently cover us or our business downgrade their evaluations of our Class A common stock, the price of our Class A common stock would likely decline. If one or more of these analysts cease coverage of our company, we could lose visibility in the market for our Class A common stock, which in turn could cause our stock price to decline.

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ITEM 1B. Unresolved Staff Comments

None

ITEM 2. Properties

Our headquarters is located in Pasadena, California where we lease approximately 140,000 square feet. We own the real property where our subsidiary bank's only office is located in Provo, Utah. Through our wholly owned subsidiaries, we lease office facilities in Birmingham, Alabama; San Diego, California; San Ramon, California; Austin, Texas; and Shanghai, China. We also lease additional technology development and sale and support offices in Tampa, Florida; Bentonville, Arkansas; Palo Alto, California; and Westlake Village, California. We believe that our existing and planned facilities are adequate to support our existing operations and that, as needed, we will be able to obtain suitable additional facilities on commercially reasonable terms.

ITEM 3. Legal Proceedings

None.

ITEM 4. Mine Safety Disclosures

Not applicable.

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PART II

ITEM 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our Class A common stock is listed on the NYSE under the symbol “GDOT.” The following table sets forth for the periods indicated the high and low sales prices per share of our Class A common stock as reported on the NYSE.

	Low	High
Year ended December 31, 2015		
Fourth Quarter	$15.83	$19.27
Third Quarter	15.91	20.94
Second Quarter	14.59	21.62
First Quarter	13.87	20.79
Year ended December 31, 2014		
Fourth Quarter	$19.76	$24.47
Third Quarter	16.57	23.52
Second Quarter	16.53	20.32
First Quarter	19.22	26.87

Holders of Record

As of January 31, 2016, we had 140 holders of record of our Class A common stock. The actual number of stockholders is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers and other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividends

We have never declared or paid any cash dividends on our capital stock, and we do not currently intend to pay any cash dividends on our Class A common stock for the foreseeable future. As a bank holding company, the Federal Reserve Board’s risk-based and leverage capital requirements, as well as other federal laws applicable to banks and bank holding companies, could limit our ability to pay dividends. We expect to retain future earnings, if any, to fund the development and future growth of our business. Additionally, our ability to pay dividends on our Class A common stock is limited by restrictions on our ability to pay dividends or make distributions under the terms of our existing credit facility. Any future determination to pay dividends on our Class A common stock, if permissible, will be at the discretion of our board of directors and will depend upon, among other factors, our financial condition, operating results, current and anticipated cash needs, plans for expansion and other factors that our board of directors may deem relevant.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Share repurchase activity during the three months ended December 31, 2015 was as follows (in millions, except per share amounts):

Period	Total Number of Shares Purchased	Average Price Paid Per Share (1)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (3)
October 1, 2015 to October 31, 2015	—	—	—	$110
November 1, 2015 to November 30, 2015	—	—	—	110
December 1, 2015 to December 31, 2015 (2)	0.1	$16.49	0.1	108.3
Total	0.1		0.1	$108.3

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(1) The average price paid per share is calculated on a trade date basis and excludes commission.

(2) In December 2015, we entered into a $10 million agreement to repurchase shares under Rule 10b5-1 of the Exchange Act. Of this amount, we repurchased approximately $1.7 million, or 0.1 million shares, in December 2015, and the remainder was completed in January 2016. Under this agreement, we repurchased a total of approximately 0.6 million shares at an average price of $16.15.

(3) The approximate dollar value of shares that may yet be purchased under the plans or programs is reduced by the $40 million that reflects the aggregate value of the stock held back by Bank of America Merrill Lynch pending final settlement of our accelerated share repurchase agreements with this firm. See Note 11 - Stockholders' Equity to the Consolidated Financial Statements included herein.

Through December 31, 2015, our Board of Directors had authorized the repurchase of up to $150 million of common stock. As of December 31, 2015, we had repurchased 1.9 million shares of our common stock in the aggregate at an average price of $17.20 per share for an aggregate purchase price of $41.7 million since inception of the stock repurchase program, and the remaining authorized amount for stock repurchases under this program was $108.3 million with no termination date.

Stock Performance Graph

This performance graph shall not be deemed "filed" for purposes of section 18 of the Exchange Act, or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of Green Dot Corporation under the Securities Act or the Exchange Act.

The graph and table below compare the cumulative total stockholder return of Green Dot Corporation Class A common stock, the Russell 2000 Index, the S&P Small Cap 600 Index and the S&P 500 Financials Index for the period beginning on the close of trading on the NYSE on December 31, 2010 and ending on the close of trading on the NYSE on December 31, 2015. The graph assumes a $100 investment in our Class A common stock and each of the indices, and the reinvestment of dividends.

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The comparisons in the graph and table below are based on historical data and are not intended to forecast the possible future performance of our Class A common stock.

Total Return to Shareholders
(Includes reinvestment of dividends)

Company/ Index	Base Period 12/31/10	2011	2012	2013	2014	2015
Green Dot Corporation	$100	$55	$22	$44	$36	$29
Russell 2000	$100	$96	$111	$155	$162	$155
S&P Smallcap 600	$100	$101	$118	$166	$176	$172
S&P Financials	$100	$83	$107	$145	$167	$164

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ITEM 6. Selected Financial Data

The following tables present selected historical financial data for our business. This information should be read in conjunction with Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and Item 8. Financial Statements and Supplementary Data of this report. The selected consolidated financial data in this section is not intended to replace the financial statements and is qualified in its entirety by the consolidated financial statements and related notes.

We derived the statements of operations data for the years ended December 31, 2015, 2014, and 2013, respectively, and the balance sheet data as of December 31, 2015, and 2014 from our audited consolidated financial statements included in Item 8 of this report. We derived the statements of operations data for the years ended December 31, 2012 and 2011, and balance sheet data as of December 31, 2013, 2012 and 2011, from our audited consolidated financial statements not included in this report. Our historical results are not necessarily indicative of our results to be expected in any future period.

	Year Ended December 31,				
	2015	2014	2013	2012	2011
	(In thousands, except per share data)				
Consolidated Statements of Operations Data:					
Operating revenues:					
Card revenues and other fees	$318,083	$253,155	$227,227	$224,745	$209,489
Processing and settlement service revenues	182,614	179,289	183,359	165,232	134,143
Interchange revenues	196,523	178,040	171,757	164,559	141,103
Stock-based retailer incentive compensation(1)	(2,520)	(8,932)	(8,722)	(8,251)	(17,337)
Total operating revenues	694,700	601,552	573,621	546,285	467,398
Operating expenses:					
Sales and marketing expenses	230,441	235,227	218,370	209,870	168,747
Compensation and benefits expenses(2)	168,226	123,083	127,287	114,930	87,671
Processing expenses	102,144	79,053	89,856	77,445	70,953
Other general and administrative expenses	134,560	105,200	88,976	71,900	56,578
Total operating expenses	635,371	542,563	524,489	474,145	383,949
Operating income	59,329	58,989	49,132	72,140	83,449
Interest income	4,737	4,064	3,440	4,074	910
Interest expense	(5,944)	(1,276)	(72)	(76)	(346)
Other income	—	7,129	—	—	—
Income before income taxes	58,122	68,906	52,500	76,138	84,013
Income tax expense	19,707	26,213	18,460	28,919	31,930
Net income	38,415	42,693	34,040	47,219	52,083
Income attributable to preferred stock	(1,102)	(4,842)	(5,360)	(7,599)	(554)
Net income allocated to common stockholders	$37,313	$37,851	$28,680	$39,620	$51,529
Basic earnings per common share:					
Class A common stock	$0.73	$0.92	$0.78	$1.11	$1.24
Basic weighted-average common shares issued and outstanding:					
Class A common stock	51,332	40,907	35,875	34,499	39,956
Diluted earnings per common share:					
Class A common stock	$0.72	$0.90	$0.76	$1.07	$1.19
Diluted weighted-average common shares issued and outstanding:					
Class A common stock	51,875	41,770	37,156	35,933	42,065

For the periods presented above, as applicable, we grouped the components of Class B common stock basic earnings per common share, or EPS, and diluted EPS with Class A common stock, as if they were one class, to conform to the current period presentation.

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	As of December 31,				
	2015	2014	2013	2012	2011
	(In thousands)				
Consolidated Balance Sheet Data:					
Cash, cash equivalents and restricted cash(3)	$777,922	$728,805	$426,591	$297,225	$238,359
Investment securities, available-for-sale	181,539	120,431	198,744	183,787	31,210
Settlement assets(4)	69,165	148,694	37,004	36,127	27,355
Loans to bank customers	6,279	6,550	6,902	7,552	10,036
Total assets	1,691,448	1,614,288	875,474	725,728	425,859
Deposits	652,145	565,401	219,580	198,451	38,957
Obligations to customers(4)	61,300	98,052	65,449	46,156	—
Settlement obligations(4)	5,074	4,484	4,839	3,639	27,355
Long-term debt	100,686	121,651	—	—	—
Total liabilities	1,028,126	985,298	473,225	397,964	172,663
Total stockholders' equity	663,322	628,990	402,249	327,764	253,196

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(1) Represents the recorded fair value of the shares for which our right to repurchase lapsed during the specified period pursuant to the terms of the agreement under which we issued 2,208,552 shares of our Class A common stock to Walmart. See “Management's Discussion and Analysis of Financial Condition and Results of Operations — Key components of our results of operations — Operating revenues — Stock-based retailer incentive compensation” for more information.

(2) Includes stock-based compensation expense of $27.0 million, $20.3 million, $14.7 million, $12.7 million, and $9.5 million for the years ended December 31, 2015, 2014, 2013, 2012 and 2011.

(3) Includes $5.8 million, $4.2 million, $3.0 million, $0.6 million, and $12.9 million of restricted cash as of December 31, 2015, 2014, 2013, 2012, and 2011, respectively. Also includes $0.0 million, $0.5 million, $0.1 million, $3.0 million and $2.4 million of federal funds sold as of December 31, 2015, 2014, 2013, 2012 and 2011, respectively.

(4) Our retail distributors collect customer funds for purchases of new cards and reloads at the point of sale and then remit these funds directly to bank accounts established for the benefit of these customers by the banks that issue our cards. During the third quarter of 2012, our retail distributors began remitting these funds to our subsidiary bank as we transitioned our card issuing program with Synovus Bank to our subsidiary bank. During the first quarter of 2014, we transitioned our card issuing program with GE Capital Bank to our subsidiary bank. Our retail distributors’ remittance of these funds takes an average of two business days. Settlement assets represent the amounts due from our retail distributors for customer funds collected at the point of sale that have not yet been received by our subsidiary bank. Obligations to customers represent customer funds collected from or to be remitted by our retail distributors for which the underlying products have not been activated. Settlement obligations represent the customer funds received by our subsidiary bank that are due to third-party card issuing banks upon activation.

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ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Annual Report on Form 10-K, 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 and the Securities Exchange Act of 1934 (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," "st "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 those identified below, under "Part I, 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 Annual 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, along with its wholly owned subsidiaries, is a pro-consumer financial technology innovator with a mission to reinvent personal banking for the masses. We are the largest provider of reloadable prepaid debit cards and cash reload processing services in the United States. We are also a leader in mobile technology and mobile banking with our award-winning GoBank mobile checking account. Additionally, we are the largest processor of tax refund disbursements in the U.S. Our products and services are available to consumers through a large-scale "branchless bank" distribution network of more than 100,000 U.S. locations, including retailers, neighborhood financial service center locations and tax preparation offices, as well as online, in the leading app stores and through leading online tax preparation providers.

Financial Results and Trends

Our results of operations for the years ended December 31, 2015 and 2014 were as follows:

	Year Ended December 31,			
	2015	2014	Change	%
	(In thousands, except percentages)			
Total operating revenues	694,700	601,552	93,148	15.5 %
Total operating expenses	635,371	542,563	92,808	17.1 %
Net income	38,415	42,693	(4,278)	(10.0)%

Total operating revenues

Total operating revenues for the year ended December 31, 2015 increased compared to the year ended December 31, 2014, primarily due to increases in revenues contributed from our acquisitions, offset by decreases in revenues due to the discontinuation of our MoneyPak PIN product in early 2015. Within our Account Services segment, card revenues and other fees and interchange revenues increased, driven primarily by sales of prepaid cards under programs acquired through our acquisitions of companies focused on online and direct-to-consumer marketing channels. Within our Processing and Settlement Services segment, revenues increased as a result of tax refund processing revenues generated during the first six months of 2015, despite a significant decline in our cash transfer revenues, primarily as a result of the discontinuation of our MoneyPak PIN product.

As a result of the discontinuation of our MoneyPak PIN product during the first quarter of 2015, our cash transfer revenues have declined on a year-over-year basis in absolute dollars and as a percentage of total operating revenues. While it is difficult to precisely quantify the full extent to which our business has been impacted by the discontinuation of our MoneyPak PIN product, we believe the discontinuation has adversely impacted the performance of our key metrics during the year ended December 31, 2015, such as the number of active cards in our portfolio, gross dollar volume and purchase volume.

We experienced a decline in revenue associated with the Walmart MoneyCard program during the years ended December 31, 2015 and 2014 due primarily to lower fee products introduced under the program and a decline in the

number of active cards. As a result, our 2015 revenues from this program have declined on a year-over-year basis due primarily to the impact of lower fee cards comprising a larger portion of our overall active card portfolio.

Total operating expenses

Total operating expenses for the year ended December 31, 2015 increased compared to the year ended December 31, 2014 due to increases in compensation and benefits expenses, processing expenses and other general and administrative expenses, which in each case increased as a percentage of total revenues. These increases in operating expenses were offset by reductions in total sales and marketing expenses.

Compensation and benefits expenses increased due to an increase in our employee headcount as a result of our acquisitions made in the fourth quarter of 2014 and first quarter of 2015 and an increase in employee stock based compensation. Our processing expenses increased primarily due to year-over-year growth in purchase volume and the related increase in costs incurred with our payment networks. Other general and administrative expenses increased primarily due to increases in depreciation and amortization of property and equipment, amortization of acquired intangible assets, impairment charges associated with internally developed software, and other general and administrative operating costs associated with our acquisitions made in the fourth quarter of 2014 and first quarter of 2015. These increases were offset primarily by a decrease in losses from customer disputes and changes in the fair value of our contingent consideration. Sales and marketing expenses decreased due to a decrease in variable costs, primarily sales commissions, partially offset by increases in advertising costs. Despite the increase in the commission rate we pay Walmart, as discussed below, the decrease in our variable costs was driven by period-over-period declines in units sales of our products and services.

As previously announced, we renewed our Walmart MoneyCard agreement in June 2015. The term of the agreement is retroactive to May 1, 2015 and expires on May 1, 2020, with an automatic renewal clause for an additional period of two years, subject to certain terms as discussed in the agreement. Revenues generated under the MoneyCard program have represented a substantial portion of our total operating revenues. Under this new agreement, the sales commission rate we pay to Walmart for the MoneyCard program increased from the prior agreement. Consequently, our sales and marketing expenses during the second half of 2015 have been and for the first half of 2016 will be materially impacted by the increased commission rate, despite the fact that our sales and marketing expenses declined in 2015, as compared to 2014.

During the year ended December 31, 2015, we recorded an $8.2 million favorable adjustment for the fair value of contingent consideration related to our acquisitions. We recorded the change in fair value as a component of other general and administrative expenses on our consolidated statements of operations. The impact that this contingent consideration will have on our 2016 financial results will depend upon the financial performance of certain acquired subsidiaries.

Income tax expense for the year ended December 31, 2015 was $19.7 million, compared to $26.2 million for the year ended December 31, 2014. Income tax expense decreased primarily as a result of generating lower income before income taxes and an overall lower effective tax rate.

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.

Number of Cash Transfers — represents the total number of reload transactions that we conducted through our retail distributors in a specified period. We processed 38.88 million, 50.13 million, and 49.52 million reload transactions for the years ended December 31, 2015, 2014, and 2013, respectively. We review this metric as a measure of the size and scale of our retail cash reload 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. We processed 10.68 million tax refund transactions for the year ended December 31, 2015. We had no tax refund transactions processed for the years ended December 31, 2014 and 2013 since we did not acquire TPG until the fourth quarter of 2014. 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 our products and services.

Number of Active Cards — represents the total number of GPR cards and checking accounts in our portfolio that had a purchase, reload or ATM withdrawal transaction during the previous 90-day period. We had 4.50 million, 4.72 million, and 4.49 million active cards outstanding as of December 31, 2015, 2014, and 2013, respectively. We review this metric as a measure of the overall size and scale of our GPR card portfolio and an indicator of customer engagement and usage of our products and services.

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Gross Dollar Volume — represents the total dollar volume of funds processed and settled by our consolidated enterprise, excluding tax refunds processed. Our gross dollar volume was $22.0 billion, $19.8 billion, and $18.7 billion for the years ended December 31, 2015, 2014, and 2013, respectively. We review this metric as a measure of the size and scale of our processing infrastructure and as an indicator of customer engagement and usage of our products and services.

Purchase Volume — represents the total dollar volume of purchase transactions made by customers using our GPR, checking account and gift card products. This metric excludes the dollar volume of ATM withdrawals. Our purchase volume was $16.1 billion, $14.2 billion, and $13.4 billion for the years ended December 31, 2015, 2014, and 2013, respectively. We use this metric to analyze interchange revenue, which is a key component of our financial performance.

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 GPR cards and checking accounts, such as GoBank, to cardholders on a monthly basis pursuant to the terms and conditions in our cardholder agreements. We charge ATM fees to cardholders when they withdraw money at certain ATMs in accordance with the terms and conditions in our cardholder agreements. We charge new card fees, if applicable, when a consumer purchases a GPR card, gift card, or a checking account product. Other revenues consist primarily of revenue associated with our gift card program, transaction-based fees and fees associated with optional products or services, which we offer to cardholders from time to time.

Our aggregate monthly maintenance fee revenues vary primarily based upon the number of active cards 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 cardholder 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 cardholders 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 GPR 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. 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.

Processing and Settlement Service Revenues — Processing and settlement service revenues consist of cash transfer revenues and tax refund 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 when a customer of a third party tax preparation company chooses to pay their tax preparation fee through the use of our tax refund processing services.

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

Stock-based retailer incentive compensation — In May 2010, we issued to Walmart 2,208,552 shares of our Class A common stock, subject to our right to repurchase them at $0.01 per share upon a qualifying termination of our prepaid card program agreement with Walmart. Prior to May 2015, we recognized each month the fair value of the 36,810 shares issued to Walmart as to which our right to repurchase lapsed using the then-current fair market value of our Class A common stock. We recorded the fair value recognized as stock-based retailer incentive compensation, a

contra-revenue component of our total operating revenues. Beginning in May 2015, we no longer record stock-based retailer compensation as a result of our repurchase right lapsing completely. There is no additional stock-based retailer compensation under the terms of the renewed Walmart MoneyCard agreement.

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Operating Expenses

We classify our operating expenses into the following four categories:

Sales and Marketing Expenses — Sales and marketing expenses consist primarily of the sales commissions we pay to our retail distributors and brokers, advertising and marketing expenses, and the costs of manufacturing and distributing card packages, placards and promotional materials to our retail distributors and personalized GPR and GoBank cards to consumers who have activated their cards. We generally establish sales commission percentages in long-term distribution agreements with our retail distributors, and aggregate sales commissions are determined by the number of prepaid cards, checking account products and cash transfers sold at their respective retail stores and, in certain cases, by the revenue generated from the ongoing use of those cards. We incur advertising and marketing expenses for television, 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 GPR and GoBank 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 card 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 processor that maintains the records of our customers' accounts and processes 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. Bank fees generally vary based on the total number of tax refund transfers processed.

Other General and Administrative Expenses — Other general and administrative expenses consist primarily of professional service fees, telephone and communication costs, depreciation and amortization of our property and equipment and intangible assets, changes in contingent consideration, 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 cards 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, 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.

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.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with GAAP. The preparation of our consolidated financial statements requires our management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience, current circumstances and various other assumptions that our management believes to be reasonable under the circumstances. In many instances, we could reasonably use different accounting estimates, and in some instances changes in the accounting estimates are reasonably likely to occur from period to period. Accordingly, actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected. We believe that the accounting policies discussed below are critical to

understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

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Revenue Recognition

We recognize revenue when the price is fixed or determinable, persuasive evidence of an arrangement exists, the product is sold or the service is performed, and collectibility of the resulting receivable is reasonably assured.

We defer and recognize new card fee revenues on a straight-line basis over the period commensurate with our service obligation to our customers. We consider the service obligation period to be the average card lifetime. We determine the average card lifetime for each pool of homogeneous products (e.g., products that exhibit the same characteristics such as nature of service and terms and conditions) based on company-specific historical data. Currently, we determine the average card lifetime separately for our GPR cards and gift cards. For our GPR cards, we measure the card lifetime as the period of time, inclusive of reload activity, between sale (or activation) of a card and the date of the last positive balance on that card. We analyze GPR cards activated between six and thirty months prior to each balance sheet date. We use this historical look-back period as a basis for determining our average card lifetime because it provides sufficient time for meaningful behavioral trends to develop. Currently, our GPR cards have an average card lifetime of five months. The usage of gift cards is limited to the initial funds loaded to the card. Therefore, we measure these gift cards' lifetime as the redemption period over which cardholders perform the substantial majority of their transactions. Currently, gift cards have an average lifetime of five months. We reassess average card lifetime quarterly. Average card lifetimes may vary in the future as cardholder behavior changes relative to historical experience because customers are influenced by changes in the pricing of our services, the availability of substitute products, and other factors.

We also defer and expense commissions paid to retail distributors related to new card sales ratably over the average card lifetime, which is currently five months for our GPR cards and five months for gift cards.

We report our different types of revenues on a gross or net basis based on our assessment of whether we act as a principal or an agent in the transaction. To the extent we act as a principal in the transaction, we report revenues on a gross basis. In concluding whether or not we act as a principal or an agent, we evaluate whether we have the substantial risks and rewards under the terms of the revenue-generating arrangements, whether we are the party responsible for fulfillment of the services purchased by the cardholders, and other factors. For most of our significant revenue-generating arrangements, including GPR and gift cards, we recognize revenues on a gross basis. As it relates to our tax refund processing services, we act as an agent in these transactions and record revenues on a net basis.

Generally, customers have limited rights to a refund of the new card fee or a cash transfer fee. We have elected to recognize revenues prior to the expiration of the refund period, but reduce revenues by the amount of expected refunds, which we estimate based on actual historical refunds.

On occasion, we enter into incentive agreements with our retail distributors and offer incentives to customers designed to increase product acceptance and sales volume. We record these incentives, including the issuance of equity instruments, as a reduction of revenues and recognize them over the period the related revenues are recognized or as services are rendered, as applicable.

Stock-Based Compensation

We record employee stock-based compensation expense based on the grant-date fair value. For stock options and stock purchases under our employee stock purchase plan, we base compensation expense on fair values estimated at the grant date using the Black-Scholes option-pricing model. For stock awards, including restricted stock units, we base compensation expense on the fair value of our Class A common stock at the grant date. We recognize compensation expense for awards with only service conditions that have graded vesting schedules on a straight-line basis over the vesting period of the award. Vesting is based upon continued service to our company.

For performance based awards, we recognize compensation cost for the restricted stock units if and when we conclude it is probable that the performance will be satisfied, over the requisite service period based on the grant-date fair value of the stock. We reassess the probability of vesting at each reporting period and adjust compensation expense based on the probability assessment. For market based restricted stock units, we base compensation expense on the fair value estimated at the date of grant using a Monte Carlo simulation or similar lattice model. We recognize compensation expense over the requisite service period regardless of the market condition being satisfied, provided that the requisite service has been provided, since the estimated grant date fair value already incorporates the probability of outcomes that the market condition will be achieved.

We measure the fair value of equity instruments issued to non-employees as of the earlier of the date a performance commitment has been reached by the counterparty or the date performance is completed by the counterparty. We determine the fair value using the Black-Scholes option-pricing model or the fair value of our Class A common stock, as applicable, and recognize related expense in the same periods that the goods or services are received.

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Reserve for Uncollectible Overdrawn Accounts

Our cardholder accounts may become overdrawn as a result of maintenance fee assessments or from purchase transactions that we honor, in each case in excess of the funds in the cardholder's account. While we decline authorization attempts for amounts that exceed the available balance in a cardholder's account, the application of card association rules, the timing of the settlement of transactions and the assessment of the card's monthly maintenance fee, among other things, can result in overdrawn accounts. Overdrawn account balances are deemed to be our receivables due from cardholders, and we include them as a component of accounts receivable, net, on our consolidated balance sheets. We generally recover overdrawn account balances from those cardholders that perform a reload transaction. In addition, we recover some overdrawn account balances related to purchase transaction through enforcement of payment network rules, which allow us to recover the amounts from the merchant where the purchase transaction was conducted. However, we are exposed to losses from any unrecovered overdrawn account balances. The probability of recovering these amounts is primarily related to the number of days that have elapsed since an account had activity, such as a purchase, ATM transaction or fee assessment. Generally, we recover 50-60% of overdrawn account balances in accounts that have had activity in the last 30 days, less than 15% in accounts that have had activity in the last 30 to 60 days, and less than 10% when more than 60 days have elapsed.

We establish a reserve for uncollectible overdrawn accounts. We classify overdrawn accounts into age groups based on the number of days since the account last had activity. We then calculate a reserve factor for each age group based on the average recovery rate for the most recent six months. These factors are applied to these age groups to estimate our overall reserve. We rely on these historical rates because they have remained relatively consistent for several years. When more than 90 days have passed without any activity in an account, we consider recovery to be remote and charge off the full amount of the overdrawn account balance against the reserve for uncollectible overdrawn accounts. Our actual recovery rates and related estimates thereof may change in the future in response to factors such as customer behavior, product pricing and features that impact the frequency and velocity of reloads and other deposits to such accounts.

We include our provision for uncollectible overdrawn accounts related to maintenance fees and purchase transactions as an offset to card revenues and other fees and in other general and administrative expenses, respectively, in our consolidated statements of operations.

Goodwill and Intangible Assets

We review the recoverability of goodwill at least annually or whenever significant events or changes occur, which might impair the recovery of recorded costs. Factors that may be considered a change in circumstances indicating that the carrying value of our goodwill may not be recoverable, include a decline in our stock price and market capitalization, declines in the market conditions of our products, reductions in our future cash flow estimates, and significant adverse industry or economic market trends, amongst others. We test for impairment of goodwill by assessing various qualitative factors with respect to developments in our business and the overall economy and calculating the fair value of a reporting unit using the discounted cash flow method, as necessary. In the event that the carrying value of assets is determined to be unrecoverable, we would estimate the fair value of the reporting unit and record an impairment charge for the excess of the carrying value over the fair value. The estimate of fair value requires management to make a number of assumptions and projections, which could include, but would not be limited to, future revenues, earnings and the probability of certain outcomes.

Intangible and other long lived-assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Certain factors which may occur and indicate that an impairment exists include, but are not limited to the following: significant underperformance relative to expected historical or projected future operating results; significant changes in the manner of use of the underlying assets; and significant adverse industry or market economic trends. In reviewing for impairment, we compare the carrying value of such assets to the estimated undiscounted future net cash flows expected from the use of the assets and their eventual disposition. In the event that the carrying value of assets is determined to be unrecoverable, we would estimate the fair value of the assets and record an impairment charge for the excess of the carrying value over the fair value. The estimate of fair value requires management to make a number of assumptions and projections, which could include, but would not be limited to, future revenues, earnings and the probability of

certain outcomes. During the three months ended December 31, 2015, we completed our annual goodwill impairment test as of September 30, 2015. Based on the results of step one of the annual goodwill impairment test, we determined that step two was not required for each of our reporting units as their fair values exceeded their carrying values indicating there was no impairment. No impairment charges were recognized related to goodwill or intangible assets for the years ended December 31, 2015, 2014, and 2013.

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Comparison of Consolidated Results for the Years Ended December 31, 2015 and 2014

Operating Revenues

The following table presents a breakdown of our operating revenues among card revenues and other fees, processing and settlement service revenues and interchange revenues, as well as contra-revenue items:

	Year Ended December 31,			
	2015		2014	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating revenues:				
Card revenues and other fees	$318,083	45.8 %	$253,155	42.1 %
Processing and settlement service revenues	182,614	26.3	179,289	29.8
Interchange revenues	196,523	28.3	178,040	29.6
Stock-based retailer incentive compensation	(2,520)	(0.4)	(8,932)	(1.5)
Total operating revenues	$694,700	100.0 %	$601,552	100.0 %

Card Revenues and Other Fees — Card revenues and other fees totaled $318.1 million for the year ended December 31, 2015, an increase of $64.9 million, or 26%, from the comparable period in 2014. The increase was primarily the result of a higher volume of monthly maintenance fees, ATM fees and transaction fees of $26.7 million, $16.8 million and $10.4 million, respectively, driven by our recent acquisitions of companies focused on online and direct-to-consumer marketing channels. Card revenues and other fees also increased as a result of period-over-period growth in revenue per active card, driven by favorable customer behavior in all of our prepaid card portfolios.

Processing and Settlement Service Revenues — Processing and settlement service revenues totaled $182.6 million for the year ended December 31, 2015, an increase of $3.3 million, or 2%, from the comparable period in 2014. We generated $70.0 million in tax refund processing services, for which there were minimal revenues for the comparable period in 2014. The revenues generated from our tax refund processing services were offset by a period-over-period decline of 22% in the number of cash transfers sold or $66.6 million, due to the discontinuation of our MoneyPak PIN product during the first quarter of 2015.

Interchange Revenues — Interchange revenues totaled $196.5 million for the year ended December 31, 2015, an increase of $18.5 million, or 10%, from the comparable period in 2014. The increase was primarily the result of period-over-period growth of 13% in purchase volume, partially offset by a slight decline in the effective interchange rate we earn on purchase volume. This average rate decline was the result of a shift in the mix of payment networks and payment types and can fluctuate period to period.

Stock-based Retailer Incentive Compensation — Stock-based retailer incentive compensation was $2.5 million for the year ended December 31, 2015, a decrease of $6.4 million, or 72%, from the comparable period in 2014. Beginning in May 2015, we no longer recorded stock-based retailer compensation as a result of our repurchase right lapsing completely.

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:

	Year Ended December 31,			
	2015		2014	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating expenses:				
Sales and marketing expenses	$230,441	33.2 %	$235,227	39.1 %
Compensation and benefits expenses	168,226	24.2	123,083	20.5

Processing expenses	102,144	14.7		79,053	13.1	
Other general and administrative expenses	134,560	19.4		105,200	17.5	
Total operating expenses	$635,371	91.5	%	$542,563	90.2	%

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Sales and Marketing Expenses — Sales and marketing expenses totaled $230.4 million for the year ended December 31, 2015, a decrease of $4.8 million, or 2% from the comparable period in 2014. Despite the increased sales commission rate we pay to Walmart under the new agreement, sales commissions decreased as a result of a period-over-period decline in the number of active cards in our portfolio and a decrease in our cash transfer revenues. This decrease was partially offset by an increase in advertising and marketing expenses of $3.3 million due to our acquired subsidiaries that focus on online and direct-to-consumer marketing channels.

Compensation and Benefits Expenses — Compensation and benefits expenses totaled $168.2 million for the year ended December 31, 2015, an increase of $45.1 million or 37%, from the comparable period in 2014. This increase was due to increases of $35.8 million in employee salaries and related benefits, $6.7 million in stock based compensation and $2.7 million in third party contractor expenses, each primarily driven by our acquisitions from the fourth quarter of 2014 and first quarter of 2015.

Processing Expenses — Processing expenses totaled $102.1 million for the year ended December 31, 2015, an increase of $23.0 million, or 29% from the comparable period in 2014. This increase was due to our growth in period-over-period purchase volume of 13%, primarily attributable to our acquisitions from the fourth quarter of 2014 and first quarter of 2015, offset by an increase in volume incentives from the payment networks.

Other General and Administrative Expenses — Other general and administrative expenses totaled $134.6 million for the year ended December 31, 2015, an increase of $29.4 million, or 28%, from the comparable period in 2014. This increase was primarily driven by increases of $18.7 million in amortization of acquired intangibles, $6.1 million in depreciation and amortization of property and equipment, and $5.9 million in impairment charges associated with certain capitalized internal-use use software. Other general and administrative expenses were also impacted by increases in general overhead expenses incurred during the normal course of operations and our acquisitions of $5.3 million, our provision for overdrawn accounts of $3.4 million, and telecommunication expenses of $2.9 million. The overall increases in other general and administrative expenses was partially offset by an $8.2 million gain associated with the change in the fair value of contingent consideration, and decreases of $7.7 million in losses from customer disputed transactions and professional services of $1.3 million.

Income Tax Expense

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

	Year Ended December 31,			
	2015		2014	
U.S. federal statutory tax rate	35.0	%	35.0	%
State income taxes, net of federal benefit	0.4		1.1	
General business credits	(0.9	)	(1.3	)
Employee stock-based compensation	0.8		0.7	
Transaction costs	(2.1	)	1.8	
Other	0.7		0.7	
Effective tax rate	33.9	%	38.0	%

Our income tax expense decreased by $6.5 million to $19.7 million in the year ended December 31, 2015 from the comparable period in 2014 due to an decrease in income before income taxes and an decrease in our effective tax rate by 4.1 percentage points from 38.0% to 33.9%. The decrease in the effective tax rate for the year ended December 31, 2015 as compared to the year ended December 31, 2014 is primarily attributable to transaction costs.

Results of Operations by Segment

Refer to Note 23—Segment Information to the consolidated financial statements and related notes in Item 8. Financial Statements and Supplementary Data of this report.

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Comparison of Consolidated Results for the Years Ended December 31, 2014 and 2013

Operating Revenues

The following table presents a breakdown of our operating revenues among card revenues and other fees, processing and settlement service revenues and interchange revenues, as well as contra-revenue items:

	Year Ended December 31,			
	2014		2013	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating revenues:				
Card revenues and other fees	$253,155	42.1 %	$227,227	39.6 %
Processing and settlement service revenues	179,289	29.8	183,359	32.0
Interchange revenues	178,040	29.6	171,757	29.9
Stock-based retailer incentive compensation	(8,932)	(1.5)	(8,722)	(1.5)
Total operating revenues	$601,552	100.0 %	$573,621	100.0 %

Card Revenues and Other Fees — Card revenues and other fees totaled $253.2 million for the year ended December 31, 2014, an increase of $26.0 million, or 11%, from the comparable period in 2013. The increase was primarily the result of higher monthly maintenance fees of $17.9 million, driven by growth in the number of active cards in our portfolio and favorable mix impacts, as a greater proportion of these fees were derived from our Green Dot-branded products, which have a higher average maintenance fee. The monthly maintenance fee increase also benefited from $5.6 million of additional fee revenue from the removal of courtesy fee waivers on certain accounts during the first quarter of 2014. Card revenues and other fees also increased due to an increase of $5.0 million in transaction-based fees, driven by growth in the number of our products with this type of fee structure, and an increase of $4.1 million in new card fee revenues, driven by period-over-period growth in new cards activated.

Processing and Settlement Service Revenues — Processing and settlement service revenues totaled $179.3 million for the year ended December 31, 2014, a decrease of $4.1 million, or 2%, from the comparable period in 2013. Although we had period-over-period growth of 1% in the number of cash transfers sold, we had a greater number of fee-free cash transfers as compared to the same period in 2013. The increase in fee-free cash transfers was driven by customer adoption of one of our products at Walmart.

Interchange Revenues — Interchange revenues totaled $178.0 million for the year ended December 31, 2014, an increase of $6.2 million, or 4%, from the comparable period in 2013. The increase was primarily the result of period-over-period growth of 6% in purchase volume, partially offset by a slight decline in the effective interchange rate we earn on purchase volume. This average rate decline was the result of a shift in the mix of payment networks and payment types.

Stock-based Retailer Incentive Compensation — Stock-based retailer incentive compensation was $8.9 million for the year ended December 31, 2014, an increase of $0.2 million, or 2%, from the comparable period in 2013. Our right to repurchase lapsed as to 441,720 shares issued to Walmart during the year ended December 31, 2014. We recognized the fair value of the shares using the then-current fair market value of our Class A common stock. The increase was the result of a higher average stock price in the year ended December 31, 2014 compared with the corresponding period in 2013.

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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:

	Year Ended December 31,					
	2014			2013		
	Amount	% of Total Operating Revenues		Amount	% of Total Operating Revenues	
	(In thousands, except percentages)					
Operating expenses:						
Sales and marketing expenses	$235,227	39.1	%	$218,370	38.1	%
Compensation and benefits expenses	123,083	20.5		127,287	22.2	
Processing expenses	79,053	13.1		89,856	15.7	
Other general and administrative expenses	105,200	17.5		88,976	15.4	
Total operating expenses	$542,563	90.2	%	$524,489	91.4	%

Sales and Marketing Expenses — Sales and marketing expenses totaled $235.2 million for the year ended December 31, 2014, an increase of $16.8 million, or 8% from the comparable period in 2013. This increase was primarily the result of an increase of $18.5 million in sales commissions and $1.9 million of additional costs of manufacturing and distributing card packages, driven by period-over-period growth in new cards activated and a 1% increase in the number of cash transfers sold. The cost of manufacturing and distributing card packages also increased as we rolled out new products, including the GoBank product at Walmart. Sales and marketing expenses were partially offset by a decrease in overall advertising expenses of $3.6 million.

Compensation and Benefits Expenses — Compensation and benefits expenses totaled $123.1 million for the year ended December 31, 2014, a decrease of $4.2 million or 3%, from the comparable period in 2013. This decrease was primarily the result of an increase to our overall capitalization rate associated with internally-developed software and the absence of retention-based incentives associated with our acquisition of Loopt for the year ended December 31, 2014, which had favorable impacts of $9.7 million and $5.8 million, respectively. Compensation and benefits expenses also decreased as a result of a decline of $4.7 million in third-party contractor expenses. These favorable impacts were offset by increases of $10.4 million in employee salaries and related benefits and $5.6 million in employee stock-based compensation due to growth in employee headcount and increases in incentive based awards to retain key employees.

Processing Expenses — Processing expenses totaled $79.1 million for the year ended December 31, 2014, a decrease of $10.8 million, or 12% from the comparable period in 2013. This decrease was primarily due to a reduction of $9.5 million in fees paid to third-party issuing banks as we transitioned our card issuing program with GE Capital Retail Bank to Green Dot Bank in February 2014.

Other General and Administrative Expenses — Other general and administrative expenses totaled $105.2 million for the year ended December 31, 2014, an increase of $16.2 million, or 18%, from the comparable period in 2013. This increase was primarily the result of a $6.7 million increase in professional services, primarily associated with our acquisitions, a $5.5 million increase in depreciation and amortization of property and equipment associated with our investment in technology to support our new product launches and infrastructure, a $4.6 million increase in transaction losses, primarily associated with customer disputed transactions and a $4.4 million increase in amortization of acquired intangibles. These increases were partially offset by a decrease of $5.2 million in impairment charges for the comparable period. During 2013 these impairment charges were associated with capitalized internal-use software we determined were no longer viable.

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Income Tax Expense

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

	Year Ended December 31,			
	2014		2013	
U.S. federal statutory tax rate	35.0	%	35.0	%
State income taxes, net of federal benefit	1.1		(0.2	)
General business credits	(1.3	)	(2.3	)
Employee stock-based compensation	0.7		1.4	
Transaction costs	1.8		—	
Other	0.7		1.2	
Effective tax rate	38.0	%	35.1	%

Our income tax expense increased by $7.8 million to $26.2 million in the year ended December 31, 2014 from the comparable period in 2013 due to an increase in income before income taxes and an increase in our effective tax rate by 2.9 percentage points from 35.1% to 38.0%. The increase in the effective tax rate for the year ended December 31, 2014 as compared to the year ended December 31, 2013 is primarily attributable to certain non-deductible transaction costs incurred during the year and fewer general business credits. We recognized a discrete benefit in the first quarter of 2013 related to the reinstatement of 2012 general business credits.

Capital Management

As of December 31, 2015 and 2014, we were categorized as "well capitalized" under the regulatory framework. There were no conditions or events since December 31, 2015 which management believes would have changed our category as "well capitalized." Our capital ratios and related regulatory requirements were as follows:

	December 31, 2015						
	Amount	Ratio		Regulatory Minimum [(1)]		"Well-capitalized" Minimum [(1)]	
	(In thousands, except ratios)						
Green Dot Corporation:							
Tier 1 leverage	347,801	25.9	%	4.0	%	n/a	
Common equity Tier 1 capital	347,801	70.7	%	4.5	%	n/a	
Tier 1 capital	347,801	70.7	%	6.0	%	6.0	%
Total risk-based capital	349,396	71.1	%	8.0	%	10.0	%
Green Dot Bank:							
Tier 1 leverage	152,737	20.4	%	15.0	%	15.0	%
Common equity Tier 1 capital	152,737	132.2	%	4.5	%	6.5	%
Tier 1 capital	152,737	132.2	%	6.0	%	8.0	%
Total risk-based capital	153,164	132.5	%	8.0	%	10.0	%

	December 31, 2014						
	Amount	Ratio		Regulatory Minimum [(1)]		"Well-capitalized" Minimum [(1)]	
	(In thousands, except ratios)						
Green Dot Corporation:							
Tier 1 leverage	200,917	21.3	%	4.0	%	n/a	
Tier 1 capital	200,917	45.4	%	5.5	%	6.0	%
Total risk-based capital	201,368	45.5	%	8.0	%	10.0	%
Green Dot Bank:							
Tier 1 leverage	135,786	17.9	%	15.0	%	15.0	%
Tier 1 capital	135,786	70.6	%	5.5	%	6.0	%

Total risk-based capital	136,237	70.8	%	8.0	%	10.0	%

(1) The tier 1 leverage regulatory minimum and well-capitalized minimum ratios for banks is 4% and 5%, respectively. Our subsidiary bank is subject to separate tier 1 leverage requirements that we have committed to with the Federal Reserve Board and Utah Department of Financial Institutions.

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Liquidity and Capital Resources

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

	Year Ended December 31,		
	2015	2014	2013
	(In thousands)		
Total cash provided by (used in)			
Operating activities	$156,720	$69,217	$122,508
Investing activities	(175,718)	(187,346)	(53,396)
Financing activities	66,489	419,146	57,918
Increase in unrestricted cash, cash equivalents and federal funds sold	$47,491	$301,017	$127,030

During the years ended December 31, 2015, 2014 and 2013 we financed our operations primarily through our cash flows from operations. Additionally, during the year ended December 31, 2015 and 2014, we financed certain investing activities through our borrowings under our senior credit facility. At December 31, 2015, our primary source of liquidity was unrestricted cash and cash equivalents totaling $772.1 million. We also consider our $181.5 million of investment securities available-for-sale 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 and cash flows from operations, and borrowing capacity under our senior credit facility will be sufficient to meet our working capital, stock repurchase and capital expenditure requirements for at least the next year. Thereafter, we may need to raise additional funds through public or private financings or borrowings. Any additional financing we require may not be available on terms that are favorable to us, or at all. If we raise additional funds through the issuance of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock and our Series A convertible junior participating non-cumulative perpetual preferred stock. No assurance can be given that additional financing will be available or that, if available, such financing can be obtained on terms favorable to our stockholders and us.

Cash Flows from Operating Activities

Our $156.7 million of net cash provided by operating activities in the year ended December 31, 2015 principally resulted from $38.4 million of net income, adjusted for certain non-cash operating expenses of $91.2 million, and an increase in our net changes in our operating assets and liabilities of $27.1 million, driven primarily by an increase in our accounts payable and accrued liabilities, and income taxes receivable. Our $69.2 million of net cash provided by operating activities in the year ended December 31, 2014 principally resulted from $42.7 million of net income, adjusted for certain non-cash operating expenses of $67.4 million, offset by a decrease of $48.7 million in amounts due to card issuing banks for overdrawn accounts, primarily related to payments to GE Capital Retail Bank to settle our liability associated with overdrawn cardholder account balances. Our $122.5 million of net cash provided by operating activities in the year ended December 31, 2013 principally resulted from $34.0 million of net income, adjusted for certain non-cash operating expenses of $62.0 million and an increase in accounts payable and accrued liabilities of $26.9 million related primarily to the timing of escheatment and refund liabilities.

Cash Flows from Investing Activities

Our $175.7 million of net cash used in investing activities in the year ended December 31, 2015 reflects payments for business acquisitions of $65.2 million, net of cash acquired, payments for acquisition of property and equipment of purchases of $47.8 million, and purchases of available-for-sale investment securities, net of proceeds from sales and maturities, of $62.7 million. Our $187.3 million of net cash used in investing activities in the year ended December 31, 2014 reflects payments for business acquisitions of $227.0 million, net of cash acquired, and payments for acquisition of property and equipment of $39.3 million, partially offset by proceeds from sales and maturities of available-for-sale investment securities, net of purchases, of $77.2 million. Our $53.4 million of net cash used in investing activities in the year ended December 31, 2013 reflects payments for acquisition of property and equipment of $35.7 million and purchases of available-for-sale investment securities, net of sales and maturities, of $16.0 million.

Cash Flows from Financing Activities
Our $66.5 million of net cash provided by financing activities in the year ended December 31, 2015 was primarily the result of increases of $86.7 million of deposits to customers associated with our GPR card program and $45.4 million in obligations to customers, offset by $22.5 million in repayments of our note payable and $41.0 million used

for our stock repurchase program. Our $419.1 million of net cash provided by financing activities in the year ended December 31, 2014 was primarily the result of $345.8 million of deposits, proceeds of $150.0 million associated with our term loan and and proceeds and excess tax benefits of $13.9 million associated with equity award activities. These were offset by decreases of $79.4 million in obligations to customers. Our $57.9 million of net cash provided by financing activities for the year ended December 31, 2013 was the result of $21.1 million of deposits and $19.6 million of obligations to customers associated with our GPR card program, and proceeds and excess tax benefits of $18.7 million associated with equity award activities.

Commitments

We anticipate that we will continue to purchase property and equipment as necessary in the normal course of our business. The amount and timing of these purchases and the related cash outflows in future periods is difficult to predict and is dependent on a number of factors including the hiring of employees, the rate of change of computer hardware and software used in our business and our business outlook. During 2016, we intend to continue to invest in new products and programs, new features for our existing products and IT infrastructure to scale and operate effectively to meet our strategic objectives.

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 makes it difficult to predict the amount and timing of such cash requirements. We may also be required to raise additional financing to complete future acquisitions.

Additionally, we may need to make ongoing 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. For example, in connection with the transition of our card issuing program with GE Capital Retail Bank to Green Dot Bank in February 2014, we contributed approximately $50 million in capital to Green Dot Bank and we settled our liability associated with overdrawn cardholder account balances, which is included in our consolidated balance sheet as "amounts due to card issuing banks for overdrawn accounts." Additionally, our investment securities may act as short-term collateral to Green Dot Bank to satisfy any requirements associated with its legal lending limit.

Senior Credit Facility

In October 2014, we entered into a $225 million credit agreement with Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association, and other lenders party thereto. The agreement provides for (i) a $75 million five-year revolving facility (the “Revolving Facility”) and (ii) a five-year $150 million term loan facility (the “Term Facility” and, together with the Revolving Facility, the “Senior Credit Facility”). At our election, loans made under the credit agreement bear interest at (1) a LIBOR rate or (2) a base rate as defined in the agreement, plus an applicable margin (3.17% as of December 31, 2015). The balance outstanding on the Term Facility was $121.7 million at December 31, 2015, net of deferred financing fees. Quarterly principal payments of $5.6 million are payable on the loans under the Term Facility. The loans made under the Term Facility mature and all amounts then outstanding thereunder are payable on October 23, 2019. There were no borrowings on the Revolving Facility at December 31, 2015. We are also subject to certain financial covenants, which include maintaining a minimum fixed charge coverage ratio and a maximum consolidated leverage ratio at the end of each fiscal quarter, as defined in the agreement, as amended. At December 31, 2015, we were in compliance with all such covenants.

Share Repurchase Program

In June 2015, we announced that our Board of Directors had authorized a stock repurchase program. As of December 31, 2015, our Board of Directors had authorized the repurchase of up to $150 million of common stock under this program. The stock repurchase program will continue until otherwise suspended, terminated or modified at any time for any reason by our Board of Directors.

In September 2015, we entered into an accelerated share repurchase agreement ("ASR") with a financial institution to repurchase shares of our common stock as part of our repurchase program. Under the ASR agreement, in exchange for an up-front payment of $40 million, we received an initial delivery of approximately 1.8 million shares on September 4, 2015 based on the then current market price of our stock. The ASR settled in January 2016 and the total number of shares repurchased was approximately 2.3 million at an average price of $17.08 per share.

In December 2015, we entered into a $10 million agreement to repurchase shares under Rule10b5-1 of the Exchange Act. As of December 31, 2015, we repurchased approximately $1.7 million, or 0.1 million shares, at an average share

price of $16.49 under this plan. The remaining repurchases under this agreement were completed in January 2016. In total, we received approximately 0.6 million shares at an average price of $16.15 under this agreement.

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As of December 31, 2015, the remaining authorized amount under the current authorization totaled approximately $108.3 million, after giving effect to our share repurchases during the year. We expect to continue to repurchase shares of our Class A common stock at a rate of $50 million annually.

Contractual Obligations

Our contractual commitments will have an impact on our future liquidity. The following table summarizes our contractual obligations, including both on and off-balance sheet transactions that represent material expected or contractually committed future obligations, at December 31, 2015. We believe that we will be able to fund these obligations through cash generated from operations and from our existing cash balances.

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
	(In thousands)				
Long-term debt obligations	$127,500	$22,500	$45,000	$60,000	$—
Capital lease obligations	769	385	384	—	—
Operating lease obligations	43,627	8,352	12,924	11,363	10,988
Purchase obligations(1)	51,644	29,101	21,633	910	—
Total	$223,540	$60,338	$79,941	$72,273	$10,988

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(1) Primarily future minimum payments under agreements with vendors and our retail distributors. See Note 19-Commitments and Contingencies of the Notes to our Consolidated Financial Statements.

Off-Balance Sheet Arrangements

During the years ended December 31, 2015, 2014, and 2013 we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

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Statistical Disclosure by Bank Holding Companies

As discussed in Part I, Item 1. Business, we became a bank holding company in December 2011. This section presents information required by the SEC’s Industry Guide 3, “Statistical Disclosure by Bank Holding Companies.” The tables in this section include Green Dot Bank information only.

Distribution of Assets, Liabilities and Stockholders' Equity

The following table presents average balance data and interest income and expense data for our banking operations, as well as the related interest yields and rates for the years ended December 31, 2015 and 2014 and average balance data for the period ended December 31, 2013:

	Year ended December 31,								Period ended December 31,
	2015				2014				2013
	Average balance	Interest income/ interest expense	Yield/ rate		Average balance	Interest income/ interest expense	Yield/ rate		Average balance
	(In thousands, except percentages)								
Assets									
Interest-bearing assets									
Loans (1)	$7,014	$739	10.5	%	$7,154	$553	7.7	%	$7,676
Taxable investment securities	108,122	1,179	1.1		53,280	506	0.9		19,415
Non-taxable investment securities	903	19	2.1		1,029	22	2.1		1,539
Federal reserve stock	3,855	234	6.1		3,481	213	6.1		1,603
Federal funds sold	468	1	0.2		380	1	0.3		1,561
Cash	676,400	1,734	0.3		642,608	1,606	0.2		310,552
Total interest-bearing assets	796,762	3,906	0.5	%	707,932	2,901	0.4	%	342,346
Non-interest bearing assets	66,828				64,632				53,792
Total assets	$863,590				$772,564				$396,138
Liabilities									
Interest-bearing liabilities									
Negotiable order of withdrawal (NOW)	$1,025	$1	0.1	%	$1,338	$1	0.1	%	$1,607
Savings deposits	8,181	11	0.1		6,820	10	0.1		6,231
Time deposits, denominations greater than or equal to $100	5,576	44	0.8		5,735	38	0.7		5,825
Time deposits, denominations less than $100	1,874	12	0.6		1,806	15	0.8		2,288
Total interest-bearing liabilities	16,656	68	0.4	%	15,699	64	0.4	%	15,951
Non-interest bearing liabilities	696,176				626,110				314,002
Total liabilities	712,832				641,809				329,953

Total stockholders' equity	150,758			130,755			66,185
Total liabilities and stockholders' equity	$863,590			$772,564			$396,138
Net interest income/yield on earning assets		$3,838	0.1 %		$2,837	0.0 %	

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(1) Non-performing loans and leases are included in the respective average loan and lease balances. Income, if any, on such loans and leases is recognized on a cash basis.

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The following table presents the rate/volume variance in interest income and expense for the year ended December 31, 2015:

	December 31, 2015		
	Total Change in Interest Income/ Expense	Change Due to Rate (1)	Change Due to Volume (1)
	(In thousands)		
Loans	$192	$228	$(36)
Taxable investment securities	667	(85)	752
Non-taxable investment securities	(3)	—	(3)
Federal reserve stock	21	(2)	23
Federal funds sold	—	—	—
Cash	128	33	95
	$1,005	$174	$831
Negotiable order of withdrawal (NOW)	$—	$—	$—
Savings deposits	—	(2)	2
Time deposits, denominations greater than or equal to $100	6	—	6
Time deposits, denominations less than $100	(2)	—	(2)
	$4	$(2)	$6

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(1) The change in interest income and expense not solely due to changes in volume or rate has been allocated on a pro-rata basis to the volume and rate columns.

Investment Portfolio

The following table presents the amortized cost and fair value of Green Dot Bank's investment portfolio at December 31, 2015, 2014 and 2013:

	December 31, 2015		December 31, 2014		December 31, 2013	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In thousands)					
Corporate bonds	$30,186	$30,147	$27,107	$27,069	$28,718	$28,730
Agency securities	—	—	—	—	245	245
Mortgage-backed securities	100,206	99,781	36,251	36,220	4,169	4,002
Municipal bonds	854	865	908	920	1,672	1,679
Total fixed-income securities	$131,246	$130,793	$64,266	$64,209	$34,804	$34,656

The following table shows the scheduled maturities, by amortized cost, and average yields for Green Dot Bank's investment portfolio at December 31, 2015:

	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Total
	(In thousands, except percentages)				
Corporate bonds	$23,390	$6,796	$—	$—	$30,186