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

FORM 10-Q

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

For the quarterly period ended March 31, 2020
OR

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

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

GREEN DOT CORPORATION

(Exact name of Registrant as specified in its charter)

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

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

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

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

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

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

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

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

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

There were 52,979,149 shares of Class A common stock outstanding, par value $.001 per share as of April 30, 2020.

GREEN DOT CORPORATION
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PART I

ITEM 1. Financial Statements

GREEN DOT CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 31, 2020	December 31, 2019
	(unaudited)	
Assets	(In thousands, except par value)	
Current assets:		
Unrestricted cash and cash equivalents	**$ 1,563,740**	$ 1,063,426
Restricted cash	**2,567**	2,728
Investment securities available-for-sale, at fair value	**10,003**	10,020
Settlement assets	**281,197**	239,222
Accounts receivable, net	**61,590**	59,543
Prepaid expenses and other assets	**57,071**	66,183
Income tax receivable	**1,584**	870
Total current assets	**1,977,752**	1,441,992
Investment securities available-for-sale, at fair value	**297,522**	267,419
Loans to bank customers, net of allowance for loan losses of $1,057 and $1,166 as of March 31, 2020 and December 31, 2019, respectively	**19,641**	21,417
Prepaid expenses and other assets	**46,038**	10,991
Property and equipment, net	**147,530**	145,476
Operating lease right-of-use assets	**25,043**	26,373
Deferred expenses	**10,502**	16,891
Net deferred tax assets	**9,097**	9,037
Goodwill and intangible assets	**513,324**	520,994
Total assets	**$ 3,046,449**	$ 2,460,590
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 37,366**	$ 37,876
Deposits	**1,616,355**	1,175,341
Obligations to customers	**84,044**	69,377
Settlement obligations	**5,892**	13,251
Amounts due to card issuing banks for overdrawn accounts	**291**	380
Other accrued liabilities	**118,602**	107,842
Operating lease liabilities	**8,052**	8,764
Deferred revenue	**19,094**	28,355
Income tax payable	**16,607**	3,948
Total current liabilities	**1,906,303**	1,445,134
Other accrued liabilities	**9,997**	10,883
Operating lease liabilities	**23,096**	24,445
Line of credit	**100,000**	35,000
Net deferred tax liabilities	**19,048**	17,772
Total liabilities	**2,058,444**	1,533,234
Commitments and contingencies (Note 16)		
Stockholders' equity:		
Class A common stock, $0.001 par value; 100,000 shares authorized as of March 31, 2020 and December 31, 2019; 52,854 and 51,807 shares issued and outstanding as of March 31, 2020 and December 31, 2019, respectively	**53**	52
Additional paid-in capital	**306,151**	296,224
Retained earnings	**675,604**	629,040
Accumulated other comprehensive income	**6,197**	2,040
Total stockholders' equity	**988,005**	927,356
Total liabilities and stockholders' equity	**$ 3,046,449**	$ 2,460,590

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended March 31,	
	2020	2019
	(In thousands, except per share data)	
Operating revenues:		
Card revenues and other fees	$ 141,394	$ 129,577
Processing and settlement service revenues	123,066	107,579
Interchange revenues	90,866	92,541
Interest income, net	6,843	10,817
Total operating revenues	362,169	340,514
Operating expenses:		
Sales and marketing expenses	116,738	98,701
Compensation and benefits expenses	53,065	61,475
Processing expenses	71,095	51,632
Other general and administrative expenses	62,422	47,321
Total operating expenses	303,320	259,129
Operating income	58,849	81,385
Interest expense, net	49	1,471
Income before income taxes	58,800	79,914
Income tax expense	11,955	15,871
Net income	$ 46,845	$ 64,043
Basic earnings per common share:	$ 0.89	$ 1.21
Diluted earnings per common share:	$ 0.87	$ 1.17
Basic weighted-average common shares issued and outstanding:	51,894	53,050
Diluted weighted-average common shares issued and outstanding:	52,673	54,551

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Net income	$ 46,845	$ 64,043
Other comprehensive income		
Unrealized holding gain, net of tax	4,157	1,166
Comprehensive income	$ 51,002	$ 65,209

See notes to unaudited consolidated financial statements

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

	Three Months Ended March 31, 2020					
	Class A Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	(In thousands)					
Balance at December 31, 2019	**51,807**	**$ 52**	**$ 296,224**	**$ 629,040**	**$ 2,040**	**$ 927,356**
Common stock issued under stock plans, net of withholdings and related tax effects	**72**	**—**	**(1,457)**	**—**	**—**	**(1,457)**
Stock-based compensation	**—**	**—**	**11,385**	**—**	**—**	**11,385**
Walmart restricted shares	**975**	**1**	**(1)**	**—**	**—**	**—**
Net income	**—**	**—**	**—**	**46,845**	**—**	**46,845**
Other comprehensive income	**—**	**—**	**—**	**—**	**4,157**	**4,157**
Cumulative effect adjustment for adoption of ASU No. 2016-13 (CECL)	**—**	**—**	**—**	**(281)**	**—**	**(281)**
Balance at March 31, 2020	**52,854**	**$ 53**	**$ 306,151**	**$ 675,604**	**$ 6,197**	**$ 988,005**

	Three Months Ended March 31, 2019					
	Class A Common Stock					
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	(In thousands)					
Balance at December 31, 2018	52,917	$ 53	$ 380,753	$ 529,143	$ (137)	$ 909,812
Common stock issued under stock plans, net of withholdings and related tax effects	231	—	(11,121)	—	—	(11,121)
Stock-based compensation	—	—	14,815	—	—	14,815
Net income	—	—	—	64,043	—	64,043
Other comprehensive income	—	—	—	—	1,166	1,166
Balance at March 31, 2019	53,148	$ 53	$ 384,447	$ 593,186	$ 1,029	$ 978,715

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Operating activities		
Net income	**$ 46,845**	$ 64,043
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, equipment and internal-use software	**13,697**	10,882
Amortization of intangible assets	**7,279**	8,174
Provision for uncollectible overdrawn accounts from purchase transactions	**1,316**	2,496
Employee stock-based compensation	**11,385**	14,815
Amortization of premium (discount) on available-for-sale investment securities	**138**	(140)
Amortization of deferred financing costs	**42**	996
Impairment of capitalized software	**—**	100
Changes in operating assets and liabilities:		
Accounts receivable, net	**(3,363)**	4,338
Prepaid expenses and other assets	**9,023**	6,974
Deferred expenses	**6,389**	8,168
Accounts payable and other accrued liabilities	**9,859**	(10,217)
Deferred revenue	**(9,355)**	(10,718)
Income tax receivable/payable	**11,805**	15,729
Other, net	**(930)**	(255)
Net cash provided by operating activities	**104,130**	115,385
Investing activities		
Purchases of available-for-sale investment securities	**(60,267)**	(35,782)
Proceeds from maturities of available-for-sale securities	**25,509**	12,948
Proceeds from sales of available-for-sale securities	**10,047**	101
Payments for acquisition of property and equipment	**(15,743)**	(19,312)
Net decrease in loans	**1,584**	1,754
Investment in TailFin Labs, LLC	**(35,000)**	—
Net cash used in investing activities	**(73,870)**	(40,291)
Financing activities		
Repayments of borrowings from notes payable	**—**	(60,000)
Borrowings on revolving line of credit	**100,000**	—
Repayments on revolving line of credit	**(35,000)**	—
Proceeds from exercise of options	**23**	705
Taxes paid related to net share settlement of equity awards	**(1,480)**	(11,826)
Net increase in deposits	**442,017**	620,998
Net decrease in obligations to customers	**(34,667)**	(39,364)
Contingent consideration payments	**(1,000)**	—
Net cash provided by financing activities	**469,893**	510,513
Net increase in unrestricted cash, cash equivalents and restricted cash	**500,153**	585,607
Unrestricted cash, cash equivalents and restricted cash, beginning of period	**1,066,154**	1,095,218
Unrestricted cash, cash equivalents and restricted cash, end of period	**$ 1,566,307**	$ 1,680,825
Cash paid for interest	**$ 283**	$ 1,094
Cash (refund from)/paid for income taxes	**$ (95)**	$ 38
Reconciliation of unrestricted cash, cash equivalents and restricted cash at end of period:		
Unrestricted cash and cash equivalents	**$ 1,563,740**	$ 1,676,470
Restricted cash	**2,567**	4,355
Total unrestricted cash, cash equivalents and restricted cash, end of period	**$ 1,566,307**	$ 1,680,825

See notes to unaudited consolidated financial statements

GREEN DOT CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1—Organization

Green Dot Corporation ("we," "our," or "us" refer to Green Dot Corporation and its consolidated subsidiaries) is a financial technology leader and bank holding company with a mission to reinvent banking for the masses. Our company's long-term strategy is to create a unique, sustainable and highly valuable fintech ecosystem, in part through the continued evolution of our innovative Banking as a Service ("BaaS") platform, that's intended to fuel the engine of innovation and growth for us and our business partners.

Enabled by proprietary technology, our commercial bank charter and our high-scale program management operating capability, our vertically integrated technology and banking platform is used by a growing list of America's most prominent consumer and technology companies to design and deploy their own bespoke financial services solutions to their customers and partners, while we use that same integrated platform for our own leading collection of banking and financial services products marketed directly to consumers through what we believe to be the most broadly distributed, omni-channel branchless banking platforms in the United States.

We were incorporated in Delaware in 1999 and became a bank holding company under the Bank Holding Company Act and a member bank of the Federal Reserve System in December 2011. We are headquartered in Pasadena, California, with additional facilities throughout the United States and in Shanghai, China.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

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

We have also prepared the accompanying unaudited consolidated financial statements in conformity with the instructions to Form 10-Q and Article 10 of Regulation S-X and, consequently, they do not include all of the annual disclosures required by GAAP. Reference is made to our Annual Report on Form 10-K for the year ended December 31, 2019 for additional disclosures, including a summary of our significant accounting policies. There have been no material changes to our significant accounting policies during the three months ended March 31, 2020, other than the adoption of the accounting pronouncements discussed herein. In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting of normal and recurring items, except as otherwise noted, necessary for the fair presentation of our financial position, results of operations and cash flows for the interim periods presented.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Future events and their effects cannot be predicted with certainty; accordingly, accounting estimates require the exercise of judgment. These financial statements were prepared using information reasonably available as of March 31, 2020 and through the date of this Report. The accounting estimates used in the preparation of the Company's consolidated financial statements may change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment changes. Actual results may differ from these estimates due to the uncertainty around the magnitude duration and effects of the COVID-19 pandemic, as well as other factors.

Recent Accounting Pronouncements

Recently adopted accounting pronouncements

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* ("ASU 2016-13") that requires financial assets measured at amortized cost be presented at the net amount expected to be collected. Credit losses on available-for-sale debt securities should be recorded through an allowance for credit losses limited by the amount that the fair value is less than amortized cost. The amendments of ASU 2016-13 eliminate the probable incurred loss recognition model under current GAAP and introduces a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information, and reasonable and supportable forecasts. The new ASU also expands the disclosure requirements to enable users of financial statements to understand the

Note 2—Summary of Significant Accounting Policies (continued)

entity's assumptions, models, and methods for estimating expected credit losses. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

We adopted ASU 2016-13 using the modified retrospective method for all financial assets measured at amortized cost. Results for periods after January 1, 2020 are presented under ASU 2016-13 while prior period amounts continue to be reported under previously applicable accounting standards. The adoption of ASU 2016-13 resulted in an adjustment of approximately $0.3 million, net of tax, to beginning retained earnings, the effect of which we do not consider material to our consolidated financial statements.

Most of our financial assets within the scope of ASU 2016-13 are considered highly short-term in nature and therefore, we are less susceptible to risks and uncertainty of credit losses over extended periods of time. The adoption of ASU 2016-13 did not result in any material changes to our methods for developing our allowance for credit losses or the information we assess in developing our current estimate of expected credit losses. See Notes 4, 5 and 6 to these consolidated financial statements for additional information on our financial assets within scope of the new accounting standard.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles - Goodwill and Other* ("ASU 2017-04")*: Simplifying the Test for Goodwill Impairment*, which simplifies the existing two-step guidance for goodwill impairment testing by eliminating the second step resulting in a write-down to goodwill equal to the initial amount of impairment determined in step one. The ASU is to be applied prospectively for reporting periods beginning after December 15, 2019. We adopted the provisions of ASU 2017-04 on January 1, 2020, the effect of which did not have a material impact on our consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes* ("ASU 2019-12"), which simplifies the accounting for income taxes by removing certain exceptions and improves consistent application of Topic 740. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted. We are currently evaluating the impact of ASU 2019-12 on our consolidated financial statements.

Note 3—Revenues

Disaggregation of Revenues

Our products and services are offered only to customers within the United States. We determine our operating segments based on how our chief operating decision maker manages our operations, makes operating decisions and evaluates operating performance. Within our segments, we believe that the nature, amount, timing and uncertainty of our revenue and cash flows and how they are affected by economic factors can be further illustrated based on the timing in which revenue for each of our products and services is recognized.

The following table disaggregates our revenues by the timing in which the revenue is recognized:

	Three Months Ended March 31, 2020		Three Months Ended March 31, 2019	
	Account Services	**Processing and Settlement Services**	**Account Services**	**Processing and Settlement Services**
Timing of revenue recognition		**(In thousands)**		
Transferred at a point in time	**$ 124,120**	**$ 123,066**	$ 140,922	$ 107,576
Transferred over time	**107,189**	**951**	79,767	1,432
Operating revenues [(1)]	**$ 231,309**	**$ 124,017**	$ 220,689	$ 109,008

(1) Excludes net interest income, a component of total operating revenues, as it is outside the scope of *ASC 606, Revenues*

Within our Account Services segment, revenues recognized at a point in time are comprised principally of ATM fees, interchange, and other similar transaction-based fees. Revenues recognized over time consists of new card fees, monthly maintenance fees, revenue earned from gift cards and substantially all BaaS partner program management fees. Substantially all of our processing and settlement services are recognized at a point in time.

Note 3—Revenues (continued)

Refer to *Note 18 — Segment Information* for our revenues disaggregated by our products and services and the components to our total operating revenues on our Consolidated Statements of Operations for additional information.

Contract Balances

As disclosed on our Consolidated Balance Sheets, we record deferred revenue for any upfront payments received in advance of our performance obligations being satisfied. These contract liabilities consist principally of unearned new card fees and monthly maintenance fees. We recognized approximately $17.0 million and $21.2 million in revenue for the three months ended March 31, 2020 and 2019, respectively, that were included in deferred revenue at the beginning of the periods and did not recognize any revenue during these periods from performance obligations satisfied in previous periods. Changes in the deferred revenue balance are driven primarily by the amount of new card fees recognized during the period, and the degree to which these reductions to the deferred revenue balance are offset by the deferral of new card fees associated with cards sold during the period.

Note 4—Investment Securities

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

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
	(In thousands)			
March 31, 2020				
Corporate bonds	$ 10,000	$ 21	$ —	$ 10,021
Agency bond securities	15,000	50	—	15,050
Agency mortgage-backed securities	250,387	8,319	(153)	258,553
Municipal bonds	4,275	—	(76)	4,199
Asset-backed securities	19,868	89	(255)	19,702
Total investment securities	$ 299,530	$ 8,479	$ (484)	$ 307,525
December 31, 2019				
Corporate bonds	$ 10,000	$ 12	$ —	$ 10,012
Agency bond securities	19,980	20	—	20,000
Agency mortgage-backed securities	208,821	2,453	(241)	211,033
Municipal bonds	4,342	2	(2)	4,342
Asset-backed securities	31,814	238	—	32,052
Total investment securities	$ 274,957	$ 2,725	$ (243)	$ 277,439

As of March 31, 2020 and December 31, 2019, the gross unrealized losses and fair values of available-for-sale investment securities that were in unrealized loss positions were as follows:

	Less than 12 months		12 months or more			
	Fair value	Unrealized loss	Fair value	Unrealized loss	Total fair value	Total unrealized loss
	(In thousands)					
March 31, 2020						
Agency mortgage-backed securities	$ 3,812	$ (86)	$ 5,921	$ (67)	$ 9,733	$ (153)
Municipal bonds	4,109	(75)	89	(1)	4,198	(76)
Asset-backed securities	9,739	(255)	—	—	9,739	(255)
Total investment securities	$ 17,660	$ (416)	$ 6,010	$ (68)	$ 23,670	$ (484)
December 31, 2019						
Agency mortgage-backed securities	$ 43,337	$ (153)	$ 8,735	$ (88)	$ 52,072	$ (241)
Municipal bonds	—	—	113	(2)	113	(2)
Total investment securities	$ 43,337	$ (153)	$ 8,848	$ (90)	$ 52,185	$ (243)

Note 4—Investment Securities (continued)

Our investments generally consist of highly rated securities, as our investment policy restricts our investments to highly liquid, low credit risk assets. For the three months ended March 31, 2020, we recorded a de minimis credit-related impairment loss on an individual security within our available-for-sale investment portfolio. Upon adoption of ASU 2016-13, we establish an allowance for credit losses limited by the amount that the fair value of the investment is less than its amortized cost, rather than a direct write down under previous GAAP. Any subsequent improvements in credit will be recognized in income through a reversal of the allowance established. We continue to record non-credit-related losses as a component of accumulated other comprehensive income or loss. We do not intend to sell our investments and we have determined that it is more likely than not that we will not be required to sell our investments before recovery of their amortized cost bases, which may be at maturity.

We did not record any credit-related impairment losses during the three months ended March 31, 2019 on our available-for-sale investment securities.

As of March 31, 2020, the contractual maturities of our available-for-sale investment securities were as follows:

	Amortized cost	Fair value
	(In thousands)	
Due in one year or less	$ 10,000	$ 10,003
Due after one year through five years	10,000	10,021
Due after five years through ten years	—	—
Due after ten years	9,275	9,246
Mortgage and asset-backed securities	270,255	278,255
Total investment securities	$ 299,530	$ 307,525

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

Note 5—Accounts Receivable

Accounts receivable, net consisted of the following:

	March 31, 2020	December 31, 2019
	(In thousands)	
Trade receivables	**$ 31,063**	$ 14,512
Reserve for uncollectible trade receivables	**(168)**	(202)
Net trade receivables	**30,895**	14,310
Overdrawn cardholder balances from purchase transactions	**4,407**	4,327
Reserve for uncollectible overdrawn accounts from purchase transactions	**(3,680)**	(3,398)
Net overdrawn cardholder balances from purchase transactions	**727**	929
Overdrawn cardholder balances from maintenance fees	**2,634**	2,235
Total net overdrawn account balances due from cardholders	**3,361**	3,164
Receivables due from card issuing banks	**5,637**	5,758
Fee advances, net	**5,354**	26,268
Other receivables	**16,343**	10,043
Accounts receivable, net	**$ 61,590**	$ 59,543

Our net overdrawn account balances due from cardholders are a result of purchase transactions that we honor or maintenance fee assessments, in each case, in excess of the funds in the cardholder's account. Reserves for overdrawn account balances from purchase transactions are subject to our recent adoption of ASU 2016-13 and are included as a component of other general and administrative expenses on our consolidated statements of operations. Overdrawn cardholder balances from maintenance fee assessments are presented net of the consideration we expect to receive under ASC 606 and are recorded as contra-revenue within card revenues and other fees. The adoption of ASU 2016-13 did not result in any material changes to our methods for developing allowances for any component within our accounts receivable.

Note 5—Accounts Receivable (continued)

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

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Balance, beginning of period	**$ 3,398**	$ 2,710
Provision for uncollectible overdrawn accounts from purchase transactions	**1,316**	2,496
Charge-offs	**(1,034)**	(1,877)
Balance, end of period	**$ 3,680**	$ 3,329

Note 6—Loans to Bank Customers

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

	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due	Total Past Due	Total Current or Less Than 30 Days Past Due	Total Outstanding
	(In thousands)					
March 31, 2020						
Residential	**$ 3**	**$ —**	**$ —**	**$ 3**	**$ 4,476**	**$ 4,479**
Commercial	**15**	**6**	**—**	**21**	**471**	**492**
Installment	**—**	**25**	**—**	**25**	**1,230**	**1,255**
Secured credit card	**679**	**754**	**1,586**	**3,019**	**11,453**	**14,472**
Total loans	**$ 697**	**$ 785**	**$ 1,586**	**$ 3,068**	**$ 17,630**	**$ 20,698**
Percentage of outstanding	**3.4 %**	**3.8 %**	**7.7 %**	**14.8 %**	**85.2 %**	**100.0 %**
December 31, 2019						
Residential	$ 1	$ —	$ —	$ 1	$ 4,530	$ 4,531
Commercial	—	—	—	—	158	158
Installment	1	—	—	1	1,246	1,247
Secured credit card	1,080	939	2,183	4,202	12,445	16,647
Total loans	$ 1,082	$ 939	$ 2,183	$ 4,204	$ 18,379	$ 22,583
Percentage of outstanding	4.8 %	4.2 %	9.7 %	18.6 %	81.4 %	100.0 %

Nonperforming Loans

The following table presents the carrying value, gross of the related allowance for loan losses, of our nonperforming loans. See *Note 2 — Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2019 for further information on the criteria for classification as nonperforming.

	March 31, 2020	December 31, 2019
	(In thousands)	
Residential	**$ 268**	$ 290
Installment	**139**	147
Secured credit card	**1,586**	2,183
Total loans	**$ 1,993**	$ 2,620

Credit Quality Indicators

We closely monitor and assess the credit quality and credit risk of our loan portfolio on an ongoing basis. We continuously review and update loan risk classifications. We evaluate our loans using non-classified or classified as the primary credit quality indicator. Classified loans are those loans that have demonstrated credit weakness where we believe there is a heightened risk of principal loss, including all impaired loans. Classified loans are generally internally categorized as substandard, doubtful or loss, consistent with regulatory guidelines.

Note 6—Loans to Bank Customers (continued)

Our secured credit card portfolio is collateralized by cash deposits made by each cardholder in an amount equal to the user's available credit limit, which mitigates risk of any significant credit losses we expect to incur.

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

	March 31, 2020		December 31, 2019	
	Non-Classified	Classified	Non-Classified	Classified
	(In thousands)			
Residential	$ 4,211	$ 268	$ 4,241	$ 290
Commercial	492	—	158	—
Installment	1,081	174	1,058	189
Secured credit card	12,886	1,586	14,464	2,183
Total loans	$ 18,670	$ 2,028	$ 19,921	$ 2,662

Impaired Loans and Troubled Debt Restructurings

When, for economic or legal reasons related to a borrower's financial difficulties, we grant a concession for other than an insignificant period of time to a borrower that we would not otherwise consider, the related loan is classified as a Troubled Debt Restructuring, or TDR. Our TDR modifications involve an extension of the maturity date at a stated interest rate lower than the current market rate for new debt with similar risk. As of March 31, 2020, none of our TDR modifications have been made in response to the COVID-19 pandemic.

The following table presents our impaired loans and loans that we modified as TDRs as of March 31, 2020 and December 31, 2019:

	March 31, 2020		December 31, 2019	
	Unpaid Principal Balance	Carrying Value	Unpaid Principal Balance	Carrying Value
	(In thousands)			
Residential	$ 268	$ 218	$ 290	$ 221
Installment	150	34	160	48

Allowance for Loan Losses

Activity in the allowance for loan losses consisted of the following:

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Balance, beginning of period	$ 1,166	$ 1,144
Provision for loans	192	666
Loans charged off	(487)	(912)
Recoveries of loans previously charged off	186	50
Balance, end of period	$ 1,057	$ 948

Note 7—Employee Stock-Based Compensation

We currently grant restricted equity awards to employees and directors under our 2010 Equity Incentive Plan. Additionally, through our 2010 Employee Stock Purchase Plan, employees are able to purchase shares of our Class A common stock at a discount through payroll deductions. We have reserved shares of our Class A common stock for issuance under these plans.

Note 7—Employee Stock-Based Compensation (continued)

Restricted Stock Units

The following table summarizes restricted stock units subject to only service conditions granted under our 2010 Equity Incentive Plan:

	Three Months Ended March 31,	
	2020	**2019**
	(In thousands, except per share data)	
Restricted stock units granted	**1,234**	35
Weighted-average grant-date fair value	**$ 26.50**	$ 66.96

Performance-Based Restricted Stock Units

We grant performance-based restricted stock units to certain employees which are subject to the attainment of pre-established annual performance targets. The actual number of shares subject to the award is determined at the end of the annual performance period and may range from 0% to 200% of the target shares granted. These awards generally contain an additional service component after each annual performance period is concluded and the unvested balance of the shares determined at the end of the annual performance period will vest over the remaining requisite service period. Compensation expense related to these awards is recognized using the accelerated attribution method over the vesting period (generally, a period of four years) based on the fair value of the closing market price of our Class A common stock on the date of the grant and the estimated performance that is expected to be achieved.

The following table summarizes the performance-based restricted stock units granted under our 2010 Equity Incentive Plan:

	Three Months Ended March 31,	
	2020	**2019**
	(In thousands, except per share data)	
Performance-based restricted stock units granted [(1)]	**445**	256
Weighted-average grant-date fair value	**$ 29.40**	$ 57.51

(1) Performance awards granted also reflects, as applicable, the issuance of any shares awarded in excess of their original target amount based on the Compensation Committee's certification of completed performance years. The grant date fair value for these awards are based on the grant price at the time of the original award.

Performance-Based Stock Options

In connection with the hiring of our new Chief Executive Officer, we granted performance-based stock options with a seven-year term that vest subject to continued service over three years, and upon our company achieving certain stock trading prices within a five-year period. Compensation expense related to these awards is recognized over the greater of the explicit service period or a derived implicit period based on when the performance targets are expected to be achieved. The grant date fair value is determined through the use of a Monte Carlo simulation and is not subsequently re-measured.

The following table summarizes the performance-based stock options granted:

	Three Months Ended March 31,
	2020
	(In thousands, except per share data)
Performance-based stock options granted	**1,000**
Exercise price	**$ 23.83**
Estimated weighted-average grant-date fair value	**$ 11.17**

Note 7—Employee Stock-Based Compensation (continued)

For purposes of these consolidated financial statements, the estimated weighted-average grant-date fair value was based on a provisional estimate using the following assumptions:

	Three Months Ended March 31,
	2020
Risk-free interest rate	0.77 %
Expected term (in years)(1)	7
Expected dividends	—
Expected volatility	53 %

(1) Provisional estimate assumes no early exercise of options.

The total stock-based compensation expense recognized was $11.4 million and $14.8 million for the three months ended March 31, 2020 and 2019, respectively. Total stock-based compensation expense includes amounts related to each of the awards discussed above and purchases made under our 2010 Employee Stock Purchase Plan, and reflects, as applicable, accelerated expense recognition associated with our retirement policy.

Under our retirement policy, following a qualified retirement, any service-based requirement for unvested stock awards held by the eligible employee is eliminated. Accordingly, the related compensation expense is recognized immediately for qualifying awards granted to eligible employees, or in the case of ineligible employees who later become eligible under the retirement policy, over the period from the grant date to the date a qualifying retirement is achieved, if earlier than the standard vesting dates. Performance-based restricted stock units issued to retirement eligible employees remain subject to the stock awards' annual performance targets and the expense will be adjusted accordingly based expected achievement.

Note 8—Deposits

Deposits are categorized as non-interest or interest-bearing deposits as follows:

	March 31, 2020	December 31, 2019
	(In thousands)	
Non-interest bearing deposit accounts	$ 1,583,865	$ 1,055,818
Interest-bearing deposit accounts		
Checking accounts	9,118	95,995
Savings	6,320	6,619
GPR deposits	12,207	11,892
Time deposits, denominations greater than or equal to $100	3,767	3,854
Time deposits, denominations less than $100	1,078	1,163
Total interest-bearing deposit accounts	32,490	119,523
Total deposits	$ 1,616,355	$ 1,175,341

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

	March 31, 2020
	(In thousands)
Due in 2020	$ 1,582
Due in 2021	791
Due in 2022	1,211
Due in 2023	626
Due in 2024	452
Thereafter	183
Total time deposits	$ 4,845

Note 9—Debt

2019 Revolving Facility

In October 2019, we entered into a secured credit agreement with Wells Fargo Bank, National Association, and other lenders party thereto. The credit facility provides for a $100.0 million five-year revolving line of credit (the "2019 Revolving Facility"), maturing in October 2024. We use the proceeds of any borrowings under the revolving facility for working capital and other general corporate purposes, subject to the terms and conditions set forth in the credit agreement. We classify amounts outstanding as long-term on our consolidated balance sheets, however, we may make voluntary repayments at any time prior to maturity. In March 2020, we drew down the full amount available to us under our 2019 Revolving Facility to strengthen our liquidity position as a precautionary measure due to the uncertainty associated with the COVID-19 pandemic and to provide flexibility to pursue strategic priorities. As of March 31, 2020 and December 31, 2019, the outstanding balance on our revolving line of credit was $100.0 million and $35.0 million, respectively.

At our election, loans made under the credit agreement bear interest at 1) a LIBOR rate (the “LIBOR Rate") or 2) a base rate determined by reference to the highest of (a) the United States federal funds rate plus .50%, (a) the Wells Fargo prime rate and (c) a daily rate equal to one-month LIBOR rate plus 1.0% (the “Base Rate"), plus in either case an applicable margin. The margin is dependent upon on our total leverage ratio and varies from 1.25% to 2.00% for LIBOR Rate loans and .25% to 1.00% for Base Rate loans. The interest rate on our outstanding balance as of March 31, 2020 was 2.00%.

We also pay a commitment fee, which varies from .20% to .35% per annum on the actual daily unused portions of the 2019 Revolving Facility. Letter of credit fees are payable in respect of outstanding letters of credit at a rate per annum equal to the applicable margin for LIBOR Rate loans.

The 2019 Revolving Facility contains customary representations and warranties relating to us and our subsidiaries. The facility also contains certain affirmative and negative covenants including negative covenants that limit or restrict, among other things, liens, indebtedness, investments and acquisitions, mergers and fundamental changes, asset sales, restricted payments, changes in the nature of the business, transactions with affiliates and other matters customarily restricted in such agreements. We must also maintain a minimum fixed charge coverage ratio and a maximum consolidated leverage ratio at the end of each fiscal quarter, as set forth in the credit agreement. At March 31, 2020, we were in compliance with all such covenants.

If an event of default shall occur and be continuing under the facility, the commitments may be terminated and the principal amounts outstanding under the 2019 Revolving Facility, together with all accrued unpaid interest and other amounts owing in respect thereof, may be declared immediately due and payable.

Senior Credit Facility

In October 2014, we entered into a $225.0 million credit agreement with Bank of America, N.A., as an administrative agent, Wells Fargo Bank, National Association, and the other lenders party thereto. The credit agreement provided for 1) a $75.0 million five-year revolving facility (the "Revolving Facility") and 2) a five-year $150.0 million term loan facility ("Term Facility" and, together with the Revolving Facility, the "Senior Credit Facility"). In March 2019, we elected to make a voluntary prepayment of $60.0 million to retire the Term Facility without penalty or additional premium.

Cash interest expense related to our debt was $0.2 million and $0.6 million for the three months ended March 31, 2020 and 2019, respectively.

Note 10—Income Taxes

Income tax expense for the three months ended March 31, 2020 and 2019 differs from the amount computed by applying the statutory federal income tax rate to income before income taxes. The sources and tax effects of the differences are as follows:

	Three Months Ended March 31,	
	2020	**2019**
U.S. federal statutory tax rate	**21.0 %**	21.0 %
State income taxes, net of federal tax benefit	**(1.1)**	1.6
General business credits	**(6.6)**	(1.4)
Employee stock-based compensation	**2.1**	(3.9)
IRC 162(m) limitation	**4.2**	2.4
Nondeductible expenses	**0.6**	0.1
Other	**0.1**	0.1
Effective tax rate	**20.3 %**	19.9 %

The effective tax rate for the three months ended March 31, 2020 and 2019 differs from the statutory federal income tax rate of 21%, primarily due to state income taxes, net of federal tax benefits, general business credits, employee stock-based compensation, and the Internal Revenue Code (IRC) 162(m) limitation on the deductibility of certain executive compensation. The increase in the effective tax rate for the three months ended March 31, 2020 as compared to the three months ended March 31, 2019 is primarily due to a $4.4 million decline in benefit on the recognition of excess tax benefits from stock-based compensation as we recognized a discrete tax expense related to tax shortfalls from stock based-compensation of $1.2 million for the three months ended March 31, 2020, compared to a $3.1 million excess tax benefit for the prior year comparable period.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act, among other things, includes certain income tax provisions for individuals and corporations; however, these benefits do not impact our current tax provision.

We have made a policy election to account for Global Intangible Low-Taxed Income ("GILTI") in the year the GILTI tax is incurred. For the three months ended March 31, 2020, the provision for GILTI tax expense was not material to our financial statements.

We establish a valuation allowance when we consider it more-likely-than-not that some portion or all of the deferred tax assets will not be realized. As of March 31, 2020, we maintained a valuation allowance against our capital loss carryforwards as we believe it is more-likely-than-not that the tax benefits related to the capital loss carryforwards will not be realized. As of March 31, 2019, we did not have a valuation allowance on any of our deferred tax assets as we believed it was more-likely-than-not that we would realize the benefits of our deferred tax assets.

We are subject to examination by the Internal Revenue Service, or IRS, and various state tax authorities. We remain subject to examination of our federal income tax return for the years ended December 31, 2016 through 2019. We generally remain subject to examination of our various state income tax returns for a period of four to five years from the respective dates the returns were filed.

As of March 31, 2020, we have federal net operating loss carryforwards of approximately $31.9 million, state net operating loss carryforwards of approximately $57.9 million, and capital loss carryforwards of approximately $1.5 million, which will be available to offset future income. If not used, the federal net operating losses will expire between 2021 and 2035. Of our total state net operating loss carryforwards, approximately $31.7 million will expire between 2021 and 2039, while the remaining balance of approximately $26.2 million does not expire and carries forward indefinitely. The capital loss carryforwards will expire between the fourth quarter of 2020 and 2023. The net operating losses are subject to an annual IRC Section 382 limitation, which restricts their utilization against taxable income in future periods. In addition, we have state business tax credits of approximately $16.3 million that can be carried forward indefinitely and other state business tax credits of approximately $1.1 million that will expire between 2023 and 2027.

Note 10—Income Taxes (continued)

As of March 31, 2020 and December 31, 2019, we had a liability of $9.7 million and $8.3 million, respectively, for unrecognized tax benefits related to various federal and state income tax matters excluding interest, penalties and related tax benefits. The reconciliation of the beginning unrecognized tax benefits balance to the ending balance is as follows:

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Beginning balance	**$ 8,398**	$ 6,965
Increases related to positions taken during prior years	**235**	—
Increases related to positions taken during the current year	**1,200**	1,569
Ending balance	**$ 9,833**	$ 8,534
The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate	**$ 9,662**	$ 8,485

As of March 31, 2020 and 2019, we recognized accrued interest and penalties related to unrecognized tax benefits of approximately $0.6 million and $0.4 million, respectively.

Note 11—Stockholders' Equity

Stock Repurchase Program

In May 2017, our Board of Directors authorized, subject to regulatory approval, expansion of our stock repurchase program by an additional $150 million. We sought and received regulatory approval during the second quarter of 2019 and entered into an accelerated share repurchase agreement for $100 million in May 2019. In August 2019, we completed final settlement of shares purchased under this agreement, receiving in total approximately 2.1 million shares at an average repurchase price of $48.26. As of March 31, 2020, we have an authorized $50 million remaining under our current stock repurchase program for any additional repurchases.

Walmart Restricted Shares

On January 2, 2020, we issued Walmart, in a private placement, 975,000 restricted shares of our Class A Common Stock. The shares vest in equal monthly increments through December 1, 2022. Walmart is entitled to voting rights and participate in any dividends paid from the issuance date on the unvested balance, and therefore the total amount of restricted shares issued are included in our total Class A shares outstanding. As of March 31, 2020, there were 893,751 unvested shares outstanding.

The estimated grant-date fair value of the restricted shares is recorded as a component of stock-based compensation expense over the related period we expect to benefit under our relationship with Walmart.

Note 12—Earnings per Common Share

The calculation of basic and diluted EPS was as follows:

	Three Months Ended March 31,	
	2020	2019
	(In thousands, except per share data)	
Basic earnings per Class A common share		
Numerator:		
Net income	$ 46,845	$ 64,043
Income attributable to unvested Walmart restricted shares	(808)	—
Net income allocated to Class A common stockholders	$ 46,037	$ 64,043
Denominator:		
Weighted-average Class A shares issued and outstanding	51,894	53,050
Basic earnings per Class A common share	$ 0.89	$ 1.21
Diluted earnings per Class A common share		
Numerator:		
Net income allocated to Class A common stockholders	$ 46,037	$ 64,043
Re-allocated earnings	12	—
Diluted net income allocated to Class A common stockholders	$ 46,049	$ 64,043
Denominator:		
Weighted-average Class A shares issued and outstanding	51,894	53,050
Dilutive potential common shares:		
Stock options	57	168
Restricted stock units	338	679
Performance-based restricted stock units	351	641
Employee stock purchase plan	33	13
Diluted weighted-average Class A shares issued and outstanding	52,673	54,551
Diluted earnings per Class A common share	$ 0.87	$ 1.17

The restricted shares issued to Walmart contain non-forfeitable rights to dividends and are considered participating securities for purposes of computing earnings per share pursuant to the two-class method. The computation above excludes income attributable to the unvested restricted shares from the numerator and excludes the dilutive impact of those underlying shares from the denominator.

For the periods presented, we excluded certain restricted stock units and stock options outstanding (as applicable), which could potentially dilute basic EPS in the future, from the computation of diluted EPS as their effect was anti-dilutive. Additionally, we have excluded any performance-based restricted stock units for which the performance contingency has not been met as of the end of the period. The following table shows the weighted-average number of shares excluded from the diluted EPS calculation as their effects were anti-dilutive:

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Class A common stock		
Options to purchase Class A common stock	98	—
Restricted stock units	491	204
Performance-based restricted stock units	174	—
Unvested Walmart restricted shares	910	—
Total	1,673	204

Note 13—Fair Value Measurements

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

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

For more information regarding the fair value hierarchy and how we measure fair value, see *Note 2–Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2019.

As of March 31, 2020 and December 31, 2019, our assets and liabilities carried at fair value on a recurring basis were as follows:

	Level 1	Level 2	Level 3	Total Fair Value
March 31, 2020		(In thousands)		
Assets				
Corporate bonds	**$ —**	**$ 10,021**	**$ —**	**$ 10,021**
Agency bond securities	**—**	**15,050**	**—**	**15,050**
Agency mortgage-backed securities	**—**	**258,553**	**—**	**258,553**
Municipal bonds	**—**	**4,199**	**—**	**4,199**
Asset-backed securities	**—**	**19,702**	**—**	**19,702**
Total assets	**$ —**	**$ 307,525**	**$ —**	**$ 307,525**
Liabilities				
Contingent consideration	**$ —**	**$ —**	**$ 8,300**	**$ 8,300**
December 31, 2019				
Assets				
Corporate bonds	$ —	$ 10,012	$ —	$ 10,012
Agency bond securities	—	20,000	—	20,000
Agency mortgage-backed securities	—	211,033	—	211,033
Municipal bonds	—	4,342	—	4,342
Asset-backed securities	—	32,052	—	32,052
Total assets	$ —	$ 277,439	$ —	$ 277,439
Liabilities				
Contingent consideration	$ —	$ —	$ 9,300	$ 9,300

We based the fair value of our fixed income securities held as of March 31, 2020 and December 31, 2019 on quoted prices in active markets for similar assets. We had no transfers between Level 1, Level 2 or Level 3 assets or liabilities during the three months ended March 31, 2020 or 2019.

The following table presents changes in our contingent consideration payable for the three months ended March 31, 2020 and 2019, which is categorized in Level 3 of the fair value hierarchy:

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Balance, beginning of period	**$ 9,300**	$ 15,800
Payments of contingent consideration	**(1,000)**	—
Balance, end of period	**$ 8,300**	$ 15,800

Note 14—Fair Value of Financial Instruments

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

Short-term Financial Instruments

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

Investment Securities

The fair values of investment securities have been derived using methodologies referenced in *Note 2–Summary of Significant Accounting Policies* to the Consolidated Financial Statements of our Annual Report on Form 10-K for the year ended December 31, 2019*.* Under the fair value hierarchy, our investment securities are classified as Level 2.

Loans

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

Deposits

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

Contingent Consideration

The fair value of contingent consideration obligations, such as the earn-out associated with our acquisition of UniRush LLC ("UniRush") in 2017, is estimated through valuation models designed to estimate the probability of such contingent payments based on various assumptions. Estimated payments are discounted using present value techniques to arrive at an estimated fair value. Our contingent consideration payable is classified as Level 3 because we use unobservable inputs to estimate fair value, including the probability of achieving certain earnings thresholds and appropriate discount rates. Changes in fair value of contingent consideration are recorded through operating expenses.

Debt

The fair value of our revolving line of credit is based on borrowing rates currently available to a market participant for loans with similar terms or maturity. The carrying amount of our outstanding revolving line of credit approximates fair value because the base interest rate charged varies with market conditions and the credit spread is commensurate with current market spreads for issuers of similar risk. The fair value of the revolving line of credit is classified as a Level 2 liability in the fair value hierarchy.

Fair Value of Financial Instruments

The carrying values and fair values of certain financial instruments that were not carried at fair value, excluding short-term financial instruments for which the carrying value approximates fair value, at March 31, 2020 and December 31, 2019 are presented in the table below.

Note 14—Fair Value of Financial Instruments (continued)

	March 31, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Financial Assets				
Loans to bank customers, net of allowance	**$ 19,641**	**$ 18,115**	$ 21,417	$ 19,563
Financial Liabilities				
Deposits	**$ 1,616,355**	**$ 1,616,300**	$ 1,175,341	$ 1,175,298
Line of credit	**$ 100,000**	**$ 100,000**	$ 35,000	$ 35,000

Note 15—Leases

We enter into operating lease agreements principally related to our corporate office locations. Currently, we do not enter into any financing lease agreements. Our leases have remaining lease terms of less than 1 year to approximately 6 years, most of which include renewal options of varying terms. We made a policy election to adopt the short term lease exemption for all leases with an initial term of 12 months or less.

Significant Assumptions, Judgments and Policies

Under Topic 842, we determine if an arrangement is or contains a lease at inception. ROU assets and liabilities are recognized at the lease commencement date based on the present value of remaining lease payments over the lease term. For this purpose, we consider only fixed payments stated in the leases at the time of commencement. Variable lease payments that are not based on a specified rate or index are expensed when incurred. Since an implicit interest rate for our leases cannot be determined under our contracts, we use an incremental borrowing rate based on the information available to us at the commencement date in determining the present value of our lease payments. Our incremental borrowing rate is based on a variety of considerations, including borrowing rates currently available to us for loans with similar terms and market participant information based on credit spreads for issuers of similar risk and credit rating.

The ROU asset also reflects any lease payments made prior to commencement and is recorded net of any lease incentives received. Our ROU asset and liability reflects, as applicable, options to extend or terminate a lease when it is reasonably certain that we will exercise such options. We also made a policy election to combine our lease and non-lease components for each of our existing classes of leased assets. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense is recognized on a straight-line basis over the lease term.

Our total lease expense amounted to approximately $2.3 million and $1.9 million for the three months ended March 31, 2020 and 2019, respectively. Our lease expense is generally based on fixed payments stated within the agreements. Any variable payments for non-lease components and other short term lease expenses are not considered material.

Supplemental Information

Supplemental information related to our ROU assets and related lease liabilities is as follows:

	March 31, 2020
Cash paid for operating lease liabilities (in thousands)	**$ 2,475**
Weighted average remaining lease term (years)	**3.9**
Weighted average discount rate	**4.7 %**

Note 15—Leases (continued)

Maturities of our operating lease liabilities as of March 31, 2020 is as follows:

	Operating Leases
	(In thousands)
Remainder of 2020	$ 7,437
2021	9,839
2022	8,840
2023	3,500
2024	3,464
Thereafter	1,732
	34,812
Less: imputed interest	(3,664)
Total lease liabilities	$ 31,148

Note 16—Commitments and Contingencies

Litigation and Claims

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

On December 18, 2019, an alleged class action entitled Koffsmon v. Green Dot Corp., et al., No. 19-cv-10701-DDP-E, was filed in the United States District Court for the Central District of California, against us and two of our officers. The suit asserts purported claims under Sections 10(b) and 20(a) of the Exchange Act for allegedly misleading statements regarding our business strategy. Plaintiff alleges that defendants made statements that were misleading because they allegedly failed to disclose details regarding our customer acquisition strategy and its impact on our financial performance. The suit is purportedly brought on behalf of purchasers of our securities between May 9, 2018 and November 7, 2019, and seeks compensatory damages, fees and costs. On February 18, 2020, a shareholder derivative suit and securities class action entitled Hellman v. Streit, et al, No. 20-cv-01572-SVW-PVC was filed in United States District Court for the Central District of California, against us and certain of our officers and directors. The suit avers purported breach of fiduciary duty and unjust enrichment claims, as well as claims under Sections 10(b), 14(a) and 20(a) of the Exchange Act, on the basis of the same wrongdoing alleged in the first lawsuit described above. The suit does not define the purported class allegedly damaged. These cases have been related. The defendants have not yet responded to the complaints in these matters.

Due to the inherent uncertainties of litigation, we cannot accurately predict the ultimate outcome of this matter. We are unable at this time to determine whether the outcome of the litigation would have a material impact on our results of operations, financial condition or cash flows.

Other Legal Matters

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

From time to time we enter into contracts containing provisions that contingently require us to indemnify various parties against claims from third parties. These contracts primarily relate to: (i) contracts with our card issuing banks, under which we are responsible to them for any unrecovered overdrafts on cardholders' accounts; (ii) certain real estate leases, under which we may be required to indemnify property owners for environmental and other liabilities, and other claims arising from our use of the premises; (iii) certain agreements with our officers, directors,

Note 16—Commitments and Contingencies (continued)

and employees, under which we may be required to indemnify these persons for liabilities arising out of their relationship with us; and (iv) contracts under which we may be required to indemnify our retail distributors, suppliers, vendors and other parties with whom we have contracts against claims arising from certain of our actions, omissions, violations of law and/or infringement of patents, trademarks, copyrights and/or other intellectual property rights.

Generally, a maximum obligation under these contracts is not explicitly stated. Because the obligated amounts associated with these types of agreements are not explicitly stated, the overall maximum amount of the obligation cannot be reasonably estimated. With the exception of overdrafts on cardholders' accounts, historically, we have not been required to make payments under these and similar contingent obligations, and no liabilities have been recorded for these obligations in our consolidated balance sheets.

For additional information regarding overdrafts on cardholders' accounts, refer to *Note 5 — Accounts Receivable.*

Financial Commitments

On January 2, 2020, we effectuated our agreement with Walmart to jointly establish a new fintech accelerator under the name TailFin Labs, LLC ("TailFin Labs"), with a mission to develop innovative products, services and technologies that sit at the intersection of retail shopping and consumer financial services. The entity is majority-owned by Walmart and is expected to focus on developing tech-enabled solutions to integrate omni-channel retail shopping and financial services. We own a 20% equity interest in the newly formed entity, in exchange for capital contributions of $35.0 million per year over the next 5 years. We account for our investment in TailFin Labs under the equity method of accounting. Any economic benefits derived from products or services developed by TailFin Labs will be negotiated on a case-by-case basis between the parties. During the three months ended March 31, 2020, we made our first annual capital contribution to TailFin Labs of $35.0 million. As of March 31, 2020, this amount has been classified as a component of our long-term prepaid expenses and other assets on our consolidated balance sheet.

On February 28, 2017, we completed our acquisition of all the membership interests of UniRush, an online direct-to-consumer GPR card and corporate payroll card provider. The transaction terms include an earn-out equal to the greater of (i) a specified percentage of the revenue generated by the online direct-to-consumer GPR card portfolio for the five-year period following the closing or (ii) $20 million, payable quarterly over five years.

Note 17—Significant Retailer Concentration

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

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

	Three Months Ended March 31,	
	2020	**2019**
Walmart	**25%**	30%

Settlement assets derived from our products sold at retail distributors constituting greater than 10% of the settlement assets outstanding on our consolidated balance sheets were as follows:

	March 31, 2020	December 31, 2019
Walmart	*	13%

* Constitutes less than 10% for the period presented.

Note 18—Segment Information

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

The Account Services segment consists of revenues and expenses derived from our deposit account programs, such as prepaid cards, debit cards, consumer and small business checking accounts, secured credit cards, payroll debit cards and gift cards. These deposit account programs are marketed under several of our leading consumer brand names and under the brand names of our BaaS partners. The Processing and Settlement Services segment consists of revenues and expenses derived from our products and services that specialize in facilitating the movement of cash on behalf of consumers and businesses, such as consumer cash processing services, wage disbursements and tax refund processing services. The Corporate and Other segment primarily consists of eliminations of intersegment revenues and expenses, unallocated corporate expenses, depreciation and amortization, and other costs that are not considered when management evaluates segment performance. We do not evaluate performance or allocate resources based on segment asset data, and therefore such information is not presented.

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

	Three Months Ended March 31, 2020			
	Account Services	Processing and Settlement Services	Corporate and Other	Total
	(In thousands)			
Operating revenues	$ 245,350	$ 125,630	$ (8,811)	$ 362,169
Operating expenses	211,543	67,319	24,458	303,320
Operating income	$ 33,807	$ 58,311	$ (33,269)	$ 58,849

	Three Months Ended March 31, 2019			
	Account Services	Processing and Settlement Services	Corporate and Other	Total
	(In thousands)			
Operating revenues	$ 239,633	$ 110,649	$ (9,768)	$ 340,514
Operating expenses	176,787	54,515	27,827	259,129
Operating income	$ 62,846	$ 56,134	$ (37,595)	$ 81,385

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

This Quarterly Report on Form 10-Q, including this Management's Discussion and Analysis of Financial Condition and Results of Operations, contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 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," "strives," "may" and "assumes," variations of such words and similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Readers are cautioned that these forward-looking statements are subject to risks, uncertainties, and assumptions that are difficult to predict, including the impact of the coronavirus (COVID-19) pandemic on our business, results of operations and financial condition, results of operations and financial condition, *and our response to it, and those identified below, under "Part II, Item 1A. Risk Factors," and elsewhere herein. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.*

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

Overview

Green Dot Corporation is a financial technology leader and bank holding company with a mission to reinvent banking for the masses. Our company's long-term strategy is to create a unique, sustainable and highly valuable fintech ecosystem, in part through the continued evolution of Green Dot's innovative Banking as a Service ("BaaS") platform, that's intended to fuel the engine of innovation and growth for Green Dot and its business partners.

Enabled by proprietary technology, our commercial bank charter and our high-scale program management operating capability, our vertically integrated technology and banking platform is used by a growing list of America's most prominent consumer and technology companies to design and deploy their own bespoke financial services solutions to their customers and partners, while we use that same integrated platform for our own leading collection of banking and financial services products marketed directly to consumers through what we believe to be the most broadly distributed, omni-channel branchless banking platforms in the United States.

Our products and services are divided among our two reportable segments: 1) Account Services and 2) Processing and Settlement Services. We also consider our product and service offerings based on our market distribution strategies, which we refer to as our Consumer Business and Platform Services Business. Refer to our latest Annual Report on Form 10-K "*Part 1, Item 1. Business*" for more detailed information.

Financial Results and Trends

Our consolidated results of operations for the three months ended March 31, 2020 and 2019 were as follows:

	Three Months Ended March 31,			
	2020	2019	Change	%
	(In thousands, except percentages)			
Total operating revenues	**$ 362,169**	$ 340,514	$ 21,655	6.4 %
Total operating expenses	**303,320**	259,129	44,191	17.1 %
Net income	**46,845**	64,043	(17,198)	(26.9)%

Impact of COVID-19

The unprecedented and rapid spread of COVID-19 and the measures implemented to contain it have created a significant amount of economic volatility around the globe. We have taken steps to ensure the health and safety of our employees and continued service to our customers and partners, while at the same time seeking to mitigate the impact of the pandemic on our financial condition and results of operations. Additionally, the business and operations of our retail distributors and certain of our BaaS and other partners have been disrupted, with many experiencing reduced foot traffic or usage of their services. While the duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time and the ultimate business and economic impact remains unknown, the conditions caused by this pandemic has and will continue to affect the rate of spending, gross dollar and purchase volume transacted through our network, and the amount of interchange we earn, and could otherwise adversely affect demand for our products and services, all of which could adversely affect our business, results of operations, and financial condition. Moreover, as a result of these conditions during the quarter, we have experienced and may continue to experience increased costs, including higher call center costs. While we have implemented cost-saving measures to offset increased costs and are otherwise working to mitigate the conditions driving our higher costs, the conditions caused by the pandemic could continue to adversely affect our business, results of operations, and financial condition in future periods.

Our employees and business continuity

Over the course of the first quarter of 2020, we enacted business continuity plans in Shanghai, China and across the U.S., mandated that our employees work from home, required contractors to work remotely and implemented strict travel restrictions. While our employees have been successful in maintaining our operations, and our offices in China have since reopened consistent with local guidelines, we have experienced disruption in staffing levels at our third-party call centers across the globe and we continue to work with our partners to restore these staffing levels.

Demand for our products and services

While sales through our online channel were strong during the quarter, the conditions caused by the COVID-19 pandemic have adversely affected our customers’ spending levels and ability or willingness to purchase our products and services through our retail distributors, lowered the volume of transactions through our BaaS platform, delayed the launching of new products and services, all of which will likely adversely affect our future sales, results of operations and financial condition. In particular, the recent increases in filings for unemployment benefits in the U.S., while partially mitigated by the effects of governmental actions such as the CARES Act, have adversely affected our customers' spending levels and retention rates as well as account acquisition and transaction volume from our SimplyPaid programs. Furthermore, the Federal Reserve recently announced reductions in short-term interest rates that have lowered the yields on our cash and investment balances and therefore, we expect a reduction in the amount of interest income we earn for the remainder of the year.

As noted above, the extent of the impacts from these conditions is currently uncertain and dependent on various factors, including the severity and transmission rate of the virus, the nature of and duration for which the preventative measures remain in place, the extent and effectiveness of containment and mitigation actions, the type of stimulus measures and other policy responses that the U.S. government may adopt, and the impact of these and other factors on our employees, customers, retail distributors, partners and vendors.

Balance sheet and liquidity

We have taken steps to strengthen our liquidity position and to ensure we have ample flexibility to pursue strategic priorities, including drawing down the full $100 million available to us under our revolving credit facility, instituting an enterprise-wide headcount freeze and delaying or reducing non-critical projects. Additionally, the CARES Act provides for deferred payment of the employer portion of social security taxes through the end of 2020, with 50% of the deferred amount due December 31, 2021 and the remaining 50% due December 31, 2022. This is expected to provide us with approximately $6 million of additional liquidity during the current year.

Currently, we do not anticipate any material impairments of our assets or material increases in allowances for loans losses.

See Part II, Item 1A, Risk Factors, for an additional discussion of risk related to the COVID-19 pandemic.

Total operating revenues

Our total operating revenues for the three months ended March 31, 2020 increased $21.7 million, or 6% over the prior year comparable period, generating revenue growth from both our Processing and Settlement Services and Account Services segments.

Within our Processing and Settlement Services segment, total operating revenues increased year-over-year by 14% as a result of year-over-year growth in the number of cash transfers and tax refunds processed, expanded adoption of our taxpayer advance programs and the introduction of new tax processing services during the three months ended March 31, 2020 compared with the prior year period. The deferral of the deadline to submit tax returns to July 2020 in response to the COVID-19 pandemic is not expected to materially impact the results of our Processing and Settlement Services segment since that deferral generally drives the behavior of taxpayers who are not expecting to receive refunds.

Within our Account Services segment, total operating revenues increased year-over-year by 2% primarily attributable to growth in the number of direct deposit active accounts from our BaaS and PayCard programs and an increase in BaaS program management service fee revenues earned from platform partners, partially offset by a decline in the number of active accounts in our Consumer programs. Gross dollar volume grew 10% year-over-year primarily due to growth in our BaaS and PayCard programs. Account holders enrolled in direct deposit also contributed to the increase as those accounts tend to generate higher levels of gross dollar volume and purchase volume than other active accounts, and consequently have a greater impact on the amount of interchange revenue we earn. The decline in our active accounts in our Consumer business in recent periods is in part attributable to ongoing changes in our competitive environment, particularly as new entrants market largely free bank account offerings, and the impact of the COVID-19 pandemic in the last month of the first quarter of 2020, which affected new account acquisition through our retail channel. We also experienced a year-over-year decline in net interest income due to lower yields on our cash and investment balances as a result of rate decreases by the Federal Reserve during the three months ended March 31, 2020.

Subsequent to March 31, 2020, we experienced a surge in our gross dollar volume from stimulus funds deposited onto our account programs by the Internal Revenue Service. While we believe gross dollar volume is a strong indicator of our revenue for all our account programs and believe our long term strategy and unique collection of assets provide a competitive advantage to address the competitive pressures we face from new entrants, we have experienced mixed trends in March and April 2020 that make it difficult to forecast future results. Further we are monitoring our direct deposit active base to better understand sources of our gross dollar volume. With respect to the former, we have seen an increased proportion of ACH deposits coming from government benefits as account holders file for unemployment benefits. The enhanced unemployment benefits afforded under the CARES Act has helped offset erosion in payroll deposits.

Total operating expenses

Our total operating expenses for the three months ended March 31, 2020 increased $44.2 million, or 17% over the prior year comparable period. This increase was primarily the result of several factors, including higher processing expenses associated with the growth of BaaS account programs and lower accrued payment network incentives due to the anticipated impact of COVID-19 and higher sales and marketing expenses attributable to the year-over-year increases in operating revenues generated from products and services that are subject to revenue-sharing arrangements with our distributors and partners and our continued marketing investment in our Green Dot Unlimited Cash Back Bank Account ("Green Dot Unlimited"). We also experienced an increase in other general and administrative expenses, primarily due to a year-over-year growth in dispute transaction losses and higher depreciation and amortization of property, plant and equipment as a result of growth in capital expenditures in recent years. These increases were offset by a decrease in compensation and benefits expenses primarily due to lower accrued bonuses and employee stock-based compensation expenses associated with performance based equity awards.

As previously announced, we renewed our Walmart MoneyCard agreement in October 2019. The term of the agreement began on January 1, 2020 and expires on January 31, 2027, with an automatic renewal clause for an additional period of one year, subject to certain terms as discussed in the agreement. Revenues generated under the MoneyCard program have represented a substantial, but declining 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, we expect our sales and marketing expenses throughout 2020 to be negatively impacted by the increased commission rate.

Income taxes

Our income tax expense decreased $3.9 million, or 25% below the prior year comparable period primarily due to a decline in operating income generated.

Key Metrics

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

	Three Months Ended March 31,			
	2020	**2019**	**Change**	**%**
	(In millions, except percentages)			
Gross Dollar Volume	**$ 14,294**	$ 12,977	$ 1,317	10.1 %
GDV from Direct Deposit Sources	**$ 10,654**	$ 10,217	$ 437	4.3 %
Number of Active Accounts*	**5.74**	6.05	(0.31)	(5.1)%
Direct Deposit Active Accounts*	**2.99**	2.87	0.12	4.2 %
Purchase Volume	**$ 8,282**	$ 8,200	$ 82	1.0 %
Cash Transfers	**12.13**	10.98	1.15	10.5 %
Tax Refunds Processed	**9.70**	9.39	0.31	3.3 %

* Represents number of active and direct deposit active accounts as of March 31, 2020 and 2019, respectively.

Gross Dollar Volume — represents the total dollar volume of funds loaded to our account products from direct deposit and non-direct deposit sources. A substantial portion of our gross dollar volume is generated from direct deposit sources. We use these metrics to analyze the total amount of money moving onto our account programs, determine the overall engagement and usage patterns of our account holder base. This metric also serves as a leading indicator of revenue generated through our Account Services segment products, inclusive of interest income generated on deposits held at Green Dot Bank, fees charged to account holders and interchange revenues generated through the spending of account balances. The increase in total dollar volume of 10.1% during the three months ended March 31, 2020 and the increase in gross dollar volume from direct deposit sources of 4.3% during the three months ended March 31, 2020, from the comparable prior year period were principally driven by an increase in the number of direct deposit active accounts.

Number of Active Accounts — represents any bank account within our Account Services segment that is subject to United States Patriot Act compliance and, therefore, requires customer identity verification prior to use and is intended to accept ongoing customer cash or ACH deposits. This metric includes general purpose reloadable prepaid card accounts, demand deposit or checking accounts, and credit card accounts in our portfolio that had a purchase, deposit or ATM withdrawal transaction during the applicable quarter. We use this metric to analyze the overall size of our active customer base and to analyze multiple metrics expressed as an average across this active account base. Within our active accounts, we monitor the mix of direct deposit accounts and non-direct deposit accounts. Our direct deposit active accounts, on average, have the longest tenure and generate the majority of our gross dollar volume in any period and thus, generate more revenue over their lifetime than other active accounts. Despite a year-over-year decrease in the number of active accounts, resulting principally from lower unit sales of accounts within our retail and digital consumer programs, we had an increase in direct deposit active accounts of 4% as of March 31, 2020 on a year-over-year basis, primarily driven by growth in our Platform Service offerings from our BaaS and PayCard and Wage Disbursement programs, which are comprised principally of account holders enrolled in direct deposit.

Purchase Volume — represents the total dollar volume of purchase transactions made by our account holders. This metric excludes the dollar volume of ATM withdrawals and in 2020, excludes volume generated by certain BaaS programs where the BaaS partner earns interchange and we earn a platform fee. We use this metric to analyze interchange revenue, which is a key component of our financial performance. Purchase volume increased approximately 1% during the three months ended March 31, 2020 from the comparable prior year period.

Number of Cash Transfers — represents the total number of cash transfer transactions conducted by consumers, such as a point-of-sale swipe reload transaction, the purchase of a MoneyPak or an e-cash mobile remittance transaction marketed under various brand names, that we conducted through our retail distributors in a specified period. This metric excludes disbursements made through our Simply Paid wage disbursement platform. We review this metric as a measure of the size and scale of our retail cash processing network, as an indicator of customer engagement and usage of our products and services, and to analyze cash transfer revenue, which is a key component of our financial performance. Our cash transfers increased 10.5% during the three months ended March 31, 2020 over the prior year comparable period primarily due to an increase in transactions and the number of third-party account programs that utilize the Green Dot Network to accept funds through our cash processing network.

Number of Tax Refunds Processed — represents the total number of tax refunds processed in a specified period. Due to seasonality, the number of tax refunds processed is most concentrated during the first half of each year and is minimal during the second half of each year. We review this metric as a measure of the size and scale of our tax refund processing platform and as an indicator of customer engagement and usage of its products and services. The overall increase in the number of tax refunds processed of 3.3% during the three months ended March 31, 2020, was primarily driven by an increase in refunds processed through online consumer tax filing software platforms, compared to the prior year period.

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, checking accounts and certain cash transfer products, such as MoneyPak, pursuant to the terms and conditions in our customer agreements. We charge ATM fees to 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, annual fees associated with our secured credit card portfolio, transaction-based fees, fees associated with optional products or services, and cash-back rewards we offer to cardholders. Our cash-back rewards are recorded as a reduction to card revenues and other fees. Also included in card revenues and other fees are program management fees earned from our BaaS partners for programs we manage on their behalf.

Our aggregate monthly maintenance fee revenues vary primarily based upon the number of active accounts in our portfolio and the average fee assessed per account. Our average monthly maintenance fee per active account depends upon the mix of products in our portfolio at any given point in time and upon the extent to which fees are waived based on various incentives provided to customers in an effort to encourage higher usage and retention. Our aggregate ATM fee revenues vary based upon the number of 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. The revenue we earn from each of these fees may also vary depending upon the channel in which the active accounts were acquired. For example, certain BaaS programs may not assess monthly maintenance fees and as a result, these accounts may generate lower fee revenue than other active accounts. Our aggregate other fees vary primarily based upon account sales of all types, gift card sales, purchase transactions and the number of active accounts in our portfolio.

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

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

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

Operating Expenses

We classify our operating expenses into the following four categories:

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

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

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 accounts in our portfolio, as do losses from customer disputed transactions, unrecovered customer purchase transaction overdrafts and fraud. Costs associated with professional services, depreciation and amortization of our property and equipment, amortization of our acquired intangible assets, 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. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act, among other things, includes certain income tax provisions for individuals and corporations; however, these benefits do not impact our current tax provision.

Critical Accounting Policies and Estimates

Reference is made to the critical accounting policies and estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2019. Except as disclosed in *Note 2 — Summary of Significant Accounting Policies* under *Recently Adopted Accounting Pronouncements* to the Consolidated Financial Statements included herein, there have been no changes to our critical accounting policies and estimates during the three months ended March 31, 2020.

Recent Accounting Pronouncements

Reference is made to the recent accounting pronouncements disclosed in *Note 2 — Summary of Significant Accounting Policies* to the Consolidated Financial Statements included herein.

Comparison of Three-Month Periods Ended March 31, 2020 and 2019

Operating Revenues

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

	Three Months Ended March 31,			
	2020		2019	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating revenues:				
Card revenues and other fees	**$ 141,394**	**39.0 %**	$ 129,577	38.0 %
Processing and settlement service revenues	**123,066**	**34.0**	107,579	31.6
Interchange revenues	**90,866**	**25.1**	92,541	27.2
Interest income, net	**6,843**	**1.9**	10,817	3.2
Total operating revenues	**$ 362,169**	**100.0 %**	$ 340,514	100.0 %

Card Revenues and Other Fees — Card revenues and other fees totaled $141.4 million for the three months ended March 31, 2020, an increase of $11.8 million, or 9.1%, from the comparable prior year period. Our card revenues and other fees increased principally as a result of BaaS program management service fee revenues earned from platform partners. This increase was offset partially by a decline in monthly maintenance fees and an increase in estimated cash back rewards that we record as a reduction to card revenues and other fees. The decline in monthly maintenance fees is associated with the decline in the number of active accounts in our Consumer business, as discussed above. Our estimate of cash rewards varies based on multiple factors including the terms and conditions of the cash back program, customer activity and customer redemption rates. Cash rewards have increased steadily year-over-year as our cash-back programs have grown, principally from those launched in 2016 and to a lesser extent, new cash-back programs launched in 2019.

Processing and Settlement Service Revenues — Processing and settlement service revenues totaled $123.1 million for the three months ended March 31, 2020, an increase of $15.5 million, or 14%, from the comparable prior year period. The increase was driven primarily by year-over-year growth in transaction volume associated with cash transfers and tax refunds processed, expanded adoption of our taxpayer advance programs and the introduction of new tax processing services.

Interchange Revenues — Interchange revenues totaled $90.9 million for the three months ended March 31, 2020, a decrease of $1.6 million, or 2%, from the comparable prior year period. The decrease was primarily due to a decline in interchange rates earned on purchase volume during the three months ended March 31, 2020.

Interest Income, net — Net interest income totaled $6.8 million for the three months ended March 31, 2020, a decrease of $4.0 million, or 37%, from the comparable prior year period. The decrease was principally the result of lower yields on our investment securities portfolio and customer funds on deposit as a result of rate decreases by the Federal Reserve during the three months ended March 31, 2020.

Operating Expenses

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

	Three Months Ended March 31,			
	2020		2019	
	Amount	% of Total Operating Revenues	Amount	% of Total Operating Revenues
	(In thousands, except percentages)			
Operating expenses:				
Sales and marketing expenses	**$ 116,738**	**32.2 %**	$ 98,701	29.0 %
Compensation and benefits expenses	**53,065**	**14.7**	61,475	18.1
Processing expenses	**71,095**	**19.6**	51,632	15.2
Other general and administrative expenses	**62,422**	**17.2**	47,321	13.8
Total operating expenses	**$ 303,320**	**83.7 %**	$ 259,129	76.1 %

Sales and Marketing Expenses — Sales and marketing expenses totaled $116.7 million for the three months ended March 31, 2020, an increase of $18.0 million, or 18% from the comparable prior year period. This increase was primarily driven by an increase in sales commissions associated with higher revenues generated from products that are subject to revenue-sharing agreements and an increase in advertising expenses in continued support of our Green Dot Unlimited product launched in the second half of 2019. Under our new agreement with Walmart, the sales commission rate we pay for the MoneyCard program increased from the prior agreement. We expect our sales and marketing expenses in 2020 to be negatively impacted by the increased commission rate.

Compensation and Benefits Expenses — Compensation and benefits expenses totaled $53.1 million for the three months ended March 31, 2020, a decrease of $8.4 million or 14% from the comparable prior year period. The decrease was due to lower salaries and wages of $4.8 million, principally due to lower accrued bonus compensation, and a decline in stock-based compensation of approximately $3.4 million, in both cases due to lower performance expectations in light of the COVID-19 pandemic.

Processing Expenses — Processing expenses totaled $71.1 million for the three months ended March 31, 2020, an increase of $19.5 million or 38% from the comparable prior year period. This increase was principally due to growth in BaaS account programs within our Account Services segment and lower accrued payment network incentives due to the anticipated impact of the COVID-19 pandemic.

Other General and Administrative Expenses — Other general and administrative expenses totaled $62.4 million for the three months ended March 31, 2020, an increase of $15.1 million or 32%, from the comparable prior year period. This increase was primarily due a year-over-year growth in dispute transaction losses and higher depreciation and amortization of property, plant and equipment as a result of growth in capital expenditures in recent years.

Income Tax Expense

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

	Three Months Ended March 31,	
	2020	2019
U.S. federal statutory tax rate	**21.0 %**	21.0 %
State income taxes, net of federal tax benefit	**(1.1)**	1.6
General business credits	**(6.6)**	(1.4)
Employee stock-based compensation	**2.1**	(3.9)
IRC 162(m) limitation	**4.2**	2.4
Nondeductible expenses	**0.6**	0.1
Other	**0.1**	0.1
Effective tax rate	**20.3 %**	19.9 %

Our income tax expense totaled $12.0 million, a decrease of $3.9 million or 25% from the comparable prior year period primarily due to a decline in our operating income. The increase in the effective tax rate is primarily due to the impact of general business credits, partially offset by year-over-year decline of $4.4 million in excess tax benefits from stock-based compensation.

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

Liquidity and Capital Resources

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

	Three Months Ended March 31,	
	2020	2019
	(In thousands)	
Total cash provided by (used in)		
Operating activities	$ 104,130	$ 115,385
Investing activities	(73,870)	(40,291)
Financing activities	469,893	510,513
Increase in unrestricted cash, cash equivalents and restricted cash	$ 500,153	$ 585,607

For the three months ended March 31, 2020 and 2019, we financed our operations primarily through our cash flows generated from operations and customer funds held on deposit. As of March 31, 2020, our primary source of liquidity was unrestricted cash and cash equivalents totaling $1.6 billion. We also consider our $307.5 million of available-for-sale investment securities to be highly-liquid instruments.

We use trend and variance analysis as well as our detailed budgets and forecasts to project future cash needs, making adjustments to the projections when needed. We believe our current unrestricted cash and cash equivalents, cash flows from operations and financing from our revolving credit facility will be sufficient to meet our working capital, capital expenditure and other commitments for at least the next 12 months, as discussed below. We will continue to monitor the impact of COVID-19 on our business to ensure our liquidity and capital resources remain appropriate throughout this period of uncertainty.

Cash Flows from Operating Activities

Our $104.1 million of net cash provided by operating activities during the three months ended March 31, 2020 was the result of $46.8 million of net income, adjusted for certain non-cash operating items of $33.9 million and increases in net changes in our working capital assets and liabilities of $23.4 million. Our $115.4 million of net cash provided by operating activities during the three months ended March 31, 2019 was the result of $64.0 million of net income, adjusted for certain non-cash operating items of $37.3 million and increases in net changes in our working capital assets and liabilities of $14.0 million.

Cash Flows from Investing Activities

Our $73.9 million of net cash used in investing activities during the three months ended March 31, 2020 was primarily due to the purchase of available-for-sale investment securities, net of proceeds from sales and maturities, of $24.7 million, the acquisition of property and equipment of $15.7 million, and capital contributions related to our investment in TailFin Labs, LLC of $35.0 million. Our $40.3 million of net cash used in investing activities during the three months ended March 31, 2019 was due to the purchase of available-for-sale investment securities, net of proceeds from sales and maturities, of $22.7 million and the acquisition of property and equipment of $19.3 million.

Cash Flows from Financing Activities

Our $469.9 million of net cash provided from financing activities during the three months ended March 31, 2020 was principally the result of a net increase in customer deposits of $442.0 million and net borrowings on our revolving credit facility of $65.0 million, offset by a net decrease of $34.7 million in obligations to customers. Our $510.5 million of net cash provided from financing activities during the three months ended March 31, 2019 was primarily the result of a net increase in customer deposits of $621.0 million, offset by the $60.0 million voluntary prepayment of our note payable, a net decrease of $39.4 million in obligations to customers and $11.8 million in tax payments made to net settle equity awards.

Commitments

While the effect of COVID-19 has created economic uncertainty and impacted how we manage our liquidity and capital resources, and we have instituted an enterprise-wide headcount freeze and delayed or reduced non-critical projects, we anticipate that we will continue to purchase property and equipment we consider necessary to support 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 when we begin hiring new employees, the rate of change of computer hardware and software used in our business and our business outlook as a result of the COVID-19 pandemic. We intend to continue to invest in new products and programs we believe are critical, new features for our existing products and IT infrastructure to scale and operate effectively to meet our strategic objectives. However, we do not expect these capital expenditures will exceed the amount of our capital expenditures in the previous year.

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. On February 28, 2017, we completed our acquisition of all the membership interests of UniRush LLC, which included a minimum $4 million annual earn-out payment for five years following the closing. The earn-out payments will be made each year, with the minimum payment potentially becoming greater if certain revenue growth targets for the RushCard GPR card program are met in a given year.

Additionally, we may make periodic cash contributions to our subsidiary bank, Green Dot Bank, to maintain its capital, leverage and other financial commitments at levels we have agreed to with our regulators.

2019 Revolving Facility

In October 2019, we entered into a new revolving credit agreement with Wells Fargo Bank, National Association, and other lenders party thereto. The new credit agreement provides for a $100 million five-year revolving facility and matures in October 2024. At our election, loans made under the credit agreement bear interest at 1) a LIBOR rate (the “LIBOR Rate") or 2) a base rate determined by reference to the highest of (a) the United States federal funds rate plus 0.50%, (b) the Wells Fargo prime rate, and (c) one-month LIBOR rate plus 1.0% (the “Base Rate"), plus in either case an applicable margin. The applicable margin for borrowings depends on our total leverage ratio and varies from 1.25% to 2.00% for LIBOR Rate loans and 0.25% to 1.00% for Base Rate loans. During the first quarter of 2020, we drew the maximum amount available to us on the 2019 Revolving Facility, resulting in a balance of $100.0 million outstanding as of March 31, 2020.

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. At March 31, 2020, we were in compliance with all such covenants.

Stock Repurchase Program

In previous years, we have repurchased shares of our Class A Common Stock under an authorized stock repurchase program. In May 2017, our Board of Directors authorized, subject to regulatory approval, expansion of our stock repurchase program by an additional $150 million. We sought and received regulatory approval during the second quarter of 2019, at which point we made an up-front payment of $100 million to enter into an accelerated share repurchase agreement. In August 2019, we completed final settlement of shares purchased under this agreement, receiving in total approximately 2.1 million shares at an average repurchase price of $48.26. We have an authorized $50 million remaining under our current stock repurchase program for any additional repurchases.

Contractual Obligations

There have been no material changes in our contractual obligations disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2019.

Off-Balance Sheet Arrangements

On January 2, 2020, we effectuated our agreement with Walmart to jointly establish a new fintech accelerator under the name TailFin Labs, LLC, with a mission to develop innovative products, services and technologies that sit at the intersection of retail shopping and consumer financial services. See *Note 16—Commitments and Contingencies* of the Notes to our Consolidated Financial Statements for additional information.

As of and for the three months ended March 31, 2019, 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.

Capital Requirements for Bank Holding Companies

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

The Basel III rules, which were promulgated by the Federal Reserve and other U.S. banking regulators, provide for risk-based capital, leverage and liquidity standards. The U.S. Basel III rules contain capital standards that change the composition of capital, increase minimum capital ratios and strengthen counter-party credit risk capital requirements. The Basel III rules also include a new definition of common equity Tier 1 capital and require that certain levels of such common equity Tier 1 capital be maintained. The rules also include a new capital conservation buffer, which imposes a common equity requirement above the new minimum that can be depleted under stress and could result in restrictions on capital distributions and discretionary bonuses under certain circumstances, as well as a new standardized approach for calculating risk-weighted assets. Under the Basel III rules, we must maintain a ratio of common equity Tier 1 capital to risk-weighted assets of at least 4.5%, a ratio of Tier 1 capital to risk-weighted assets of at least 6%, a ratio of total capital to risk-weighted assets of at least 8% and a minimum Tier 1 leverage ratio of 4.0%.

As of March 31, 2020 and December 31, 2019, we were categorized as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," we must maintain specific total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the table below. There are no conditions or events since March 31, 2020 which management believes would have changed our category as "well capitalized."

As a result of the economic disruption caused by the COVID-19 pandemic, in March 2020 the joint federal bank regulatory agencies issued an interim final rule (the "Interim Rule") that allows banking organizations that were required to implement the Current Expected Credit Loss ("CECL") accounting standard in 2020 optional relief that delays an estimate of the impact of CECL on its regulatory capital for two years. This two-year delay is in addition to the three-year transition period that the agencies had already made available. We did not adopt the option provided by the Interim Rule because the impact of adopting CECL was not material to our financial statements and regulatory capital.

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

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

Terms	Definition
Tier 1 capital and Common equity Tier 1 capital	Primarily includes common stock, retained earnings and accumulated OCI, net of deductions and adjustments primarily related to goodwill, deferred tax assets and intangibles. Under the regulatory capital rules, certain deductions and adjustments to these capital figures are phased in through January 1, 2018.
Total capital	Tier 1 capital plus supplemental capital items such as the allowance for loan losses, subject to certain limits
Average total assets	Average total consolidated assets during the period less deductions and adjustments primarily related to goodwill, deferred tax assets and intangibles assets
Risk-weighted assets	Represents the amount of assets or exposure multiplied by the standardized risk weight (%) associated with that type of asset or exposure. The standardized risk weights are prescribed in the bank capital rules and reflect regulatory judgment regarding the riskiness of a type of asset or exposure

The actual amounts and ratios, and required "well capitalized" minimum capital amounts and ratios at March 31, 2020 and December 31, 2019 were as follows:

	March 31, 2020			
	Amount	Ratio	Regulatory Minimum	"Well-capitalized" Minimum
	(In thousands, except ratios)			
Green Dot Corporation:				
Tier 1 leverage	**$ 466,784**	**19.7 %**	**4.0 %**	**n/a**
Common equity Tier 1 capital	**$ 466,784**	**74.4 %**	**4.5 %**	**n/a**
Tier 1 capital	**$ 466,784**	**74.4 %**	**6.0 %**	**6.0 %**
Total risk-based capital	**$ 471,281**	**75.1 %**	**8.0 %**	**10.0 %**
Green Dot Bank:				
Tier 1 leverage	**$ 218,699**	**11.3 %**	**4.0 %**	**5.0 %**
Common equity Tier 1 capital	**$ 218,699**	**79.9 %**	**4.5 %**	**6.5 %**
Tier 1 capital	**$ 218,699**	**79.9 %**	**6.0 %**	**8.0 %**
Total risk-based capital	**$ 220,033**	**80.4 %**	**8.0 %**	**10.0 %**

	December 31, 2019			
	Amount	Ratio	Regulatory Minimum	"Well-capitalized" Minimum
	(In thousands, except ratios)			
Green Dot Corporation:				
Tier 1 leverage	$ 400,445	22.2 %	4.0 %	n/a
Common equity Tier 1 capital	$ 400,445	70.5 %	4.5 %	n/a
Tier 1 capital	$ 400,445	70.5 %	6.0 %	6.0 %
Total risk-based capital	$ 404,469	71.2 %	8.0 %	10.0 %
Green Dot Bank:				
Tier 1 leverage	$ 204,141	13.9 %	4.0 %	5.0 %
Common equity Tier 1 capital	$ 204,141	82.8 %	4.5 %	6.5 %
Tier 1 capital	$ 204,141	82.8 %	6.0 %	8.0 %
Total risk-based capital	$ 205,548	83.4 %	8.0 %	10.0 %

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

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

Interest rates

While operating net interest income has become a more meaningful component to our consolidated operating results, we do not consider our cash and cash equivalents or our investment securities to be subject to material interest rate risk due to their short duration. However, the Federal Open Market Committee (FOMC) decreased the federal funds target rate during the three months ended March 31, 2020, with additional changes possible in the future. Further changes in short-term interest rates could adversely impact the amount of net interest income we earn.

As of March 31, 2020, we drew the maximum amount available under our $100.0 million line of credit agreement. Refer to *Note 9 — Debt* to the Consolidated Financial Statements included herein for additional information. Our revolving credit facility is, and is expected to be, at variable rates of interest and expose us to interest rate risk. Although any short-term borrowings under our revolving credit facility would likely be insensitive to interest rate changes, interest expense on short-term borrowings will increase and decrease with changes in the underlying short-term interest rates. For example, assuming we continue to have our new revolving facility drawn up to its maximum borrowing capacity of $100.0 million, based on the applicable LIBOR and margin in effect as of March 31, 2020, each quarter point of change in interest rates would result in a $0.3 million change in our annual interest expense.

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

Credit and liquidity risk

We do have exposure to credit and liquidity risk associated with the financial institutions that hold our cash and cash equivalents, restricted cash, available-for-sale investment securities, settlement assets due from our Simply Paid distribution partners and retail distributors that collect funds and fees from our customers and amounts due from our issuing banks for fees collected on our behalf.

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

Our exposure to credit risk associated with our retail distributors and Simply Paid distribution partners is mitigated due to the short time period, currently an average of two days, that retailer settlement assets are outstanding. We perform an initial credit review and assign a credit limit to each new retail distributor and Simply Paid distribution partner. We monitor each retail distributor’s and Simply Paid distribution partner's settlement asset exposure and its compliance with its specified contractual settlement terms on a daily basis and assess their credit limit and financial condition on a periodic basis. Our management's Enterprise Risk Management Committee is responsible for monitoring our retail distributor and Simply Paid distribution partner exposure and assigning credit limits, and reports regularly to the risk committee of our Board of Directors. We will continue to monitor our exposure to credit risk with our retail distributors and other business partners in light of the COVID-19 pandemic.

ITEM 4. Controls and Procedures

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

Change in internal control over financial reporting — There was no material change in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the three months ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any significant impact to our internal controls over financial reporting despite the fact that most of our employees are working remotely due to the COVID-19 pandemic. The design of our processes and controls allow for remote execution with accessibility to secure data. We are continually monitoring and assessing the COVID-19 situation to minimize the impact, if any, on the design and operating effectiveness on our internal controls.

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

PART II

ITEM 1. Legal Proceedings

Refer to *Note 16 — Commitments and Contingencies* to the Consolidated Financial Statements included herein for information regarding our legal proceedings.

ITEM 1A. Risk Factors

Risks Related to Our Business

The effects of the COVID-19 pandemic have significantly affected how we and our retail distributors are operating our businesses, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.

In December 2019, a novel coronavirus disease ("COVID-19") was reported and in January 2020, the World Health Organization ("WHO") declared it a Public Health Emergency of International Concern. On February 28, 2020, the WHO raised its assessment of the COVID-19 threat from high to very high at a global level due to the continued increase in the number of cases and affected countries, and on March 11, 2020, the WHO characterized COVID-19 as a pandemic. The COVID-19 pandemic and efforts to control its spread have significantly curtailed the movement of people, goods, and services worldwide and has reduced consumer spending in the markets in which we operate and across the global economy.

Our operations have also begun to be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. As a result of the COVID-19 pandemic, in the first quarter, we closed our offices in both China and the United States, and required our employees and certain of our contractors to work remotely and implemented certain travel restrictions. While we did not experience a significant decline in productivity during this period and our offices in China have since reopened consistent with local guidelines, our personnel in China and the United States continue to be subject to certain restrictions, which could increase our costs, lower productivity or otherwise impact our business, results of operations and financial condition while these conditions persist. In addition, many of the third-party call centers we rely on to provide customer support were closed in the first quarter due to the pandemic, which resulted in delayed responses to customers and a higher usage of automated services, and contributed to higher transaction losses as compared to period periods. We are continuing to work with our partners to restore these staffing levels. The business and operations of our retail distributors and our BaaS and other partners have likewise been disrupted, with many experiencing reduced foot traffic or usage of their services. If the COVID-19 pandemic has a substantial and prolonged impact on our employees, partners or distributors' attendance or productivity, our results of operations and overall financial performance may adversely harmed

While the duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the virus, the nature of and duration for which the preventative measures remain in place, the extent and effectiveness of containment and mitigation actions, the type of stimulus measures and other policy responses that the U.S. government may adopt, and the impact of these and other factors on our employees, customers, retail distributors, partners and vendors, it has already had an adverse effect on the global economy, and the ultimate business and economic impact of the COVID-19 pandemic remains unknown. In particular, the conditions caused by this pandemic has and will continue to negatively affect account acquisition through our retail distributors and certain of our BaaS and other partners, retention rates, the rate of spending, gross dollar and purchase volume transacted through our network, the amount of interchange we earn, and could otherwise adversely affect demand for our products and services and result in increased pricing pressures, all of which could adversely affect our business, results of operations, and financial condition. As a result of these conditions during the quarter, we have also experienced and may continue to experience increased costs, including higher call center costs, which could continue to adversely affect our business, results of operations, and financial condition in future periods. Furthermore, the Federal Reserve recently announced reductions in short-term interest rates that have lowered the yields on our cash and investment balances and therefore, we expect a reduction in the amount of interest income we earn for the remainder of the year. Additionally, concerns over the economic impact of the COVID-19 pandemic have caused extreme volatility in financial and other capital markets, which may adversely affect our stock price and our ability to access capital markets in the future.

Please see "Management's Discussion and Analysis of Financial Position and Results of Operations" for a more detailed discussions of the potential impact of the COVID-19 pandemic and associated economic disruptions.

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 and use of our products and services;
- the timing and volume of tax refunds or other government payments (including the recent stimulus payments related to the COVID-19 pandemic) processed by us, including the impact of any general delays in 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 BaaS platform partners;
- the timing of commencement of new product development and initiatives, the timing of costs of existing product roll-outs 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 direct-to-consumer initiatives;
- changes in our or our competitors' pricing policies or sales terms;
- new product offerings from our competitors;
- costs associated with 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 acquisition of complementary businesses;
- the amount and timing of costs of any major litigation to which we are a party;
- disruptions in the performance of our products and services, including interruptions in the services we provide to other businesses, and the associated financial impact thereof;
- the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of our business, operations and infrastructure;
- interest rate volatility;
- changes in our executive leadership team;
- accounting charges related to impairment of goodwill and other intangible assets;
- 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;
- changes in the political or regulatory environment affecting the banking, electronic payments or tax refund processing industries;
- economic downturns or uncertainty in financial markets, including those recently caused by the COVID-19 pandemic; and

- other factors beyond our control, such as terrorism, war, natural disasters and pandemics, including the COVID-19 pandemic.

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

A significant portion of our operating revenues are derived from the products and 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 25% for the three months ended March 31, 2020. We expect that Walmart will continue to have a significant impact on our operating revenues in future periods, 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 or any significant decrease in customers' spending levels and ability or willingness to purchase our account products through Walmart, for any reason, including due to the recent COVID-19 pandemic, would have a material adverse effect on our business and results of operations. 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.

The term of our Walmart Money Card agreement (which governs the MoneyCard program) expires on January 31, 2027, unless renewed under its automatic renewal provision which provides for a one-year extension. Our contracts with our three other largest retail distributors have terms that expire at various dates between 2020 and 2022, with some subject to automatic renewal provisions. Our contracts with Walmart and our three other largest retail distributors can in limited circumstances, such as our material breach or insolvency or, in the case of Walmart, our failure to meet agreed-upon service levels, certain changes in control, and our inability or unwillingness to agree to requested pricing changes, be terminated by these retail distributors on relatively short notice. There can be no assurance that we will be able to continue our relationships with our largest retail distributors on the same or more favorable terms in future periods or that our relationships will continue beyond the terms of our existing contracts with them. Our operating revenues and results of operations could 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 the performance of our Processing and Settlement Services segment depends in part on our ability to retain existing partners.

If one or more of our major tax preparation partners were to substantially reduce or stop offering our services to their customers, our tax refund processing services business, a component of our Processing and Settlement Services segment, results of operations and financial condition would be harmed. Substantially all the revenues we generate from our tax refund processing services business have come from sales through a relatively small number of tax preparation firms. We do not have long-term contractual commitments from 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 is 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 and services, including competing account programs 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.

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. 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.

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

Our ability to increase account usage and account holder retention and to attract new long-term users of our products can have a significant impact on our operating revenues. We may be unable to generate increases in account usage, account holder retention or attract new long-term users of our products for a number of reasons, including if we are unable to maintain our existing distribution channels, predict accurately consumer preferences or industry changes and modify our products and services on a timely basis in response thereto, produce new features and services that appeal to existing and prospective customers, and influence account holder behavior through cardholder retention and usage incentives. Our results of operations could vary materially from period to period based on the degree to which we are successful in increasing usage and retention and attracting long-term users of our products. Additionally, while the impact on our total operating revenues from the decline in total number of active accounts in our Account Services segment in recent periods has been limited, if this trend persists over a long period or deteriorates more rapidly in the short term, our financial results would be materially impacted.

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

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

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

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

Many existing and potential competitors are entities substantially larger in size, more highly diversified in revenue and substantially more established with significantly more broadly known brand awareness than ours. As such, many of our competitors can leverage their size, robust networks, financial wherewithal, brand awareness, pricing power and technological assets to compete with us. Additionally, some of our current and potential competitors are subject to fewer regulations and restrictions than we are, and thus may be able to respond more quickly in the face of regulatory and technological changes. We are also experiencing increased price competition as a result of new entrants offering free or low-cost alternatives to our products and services. To the extent these new entrants gain market share, 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 results of operations.

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

Our business is dependent on the efficient and uninterrupted operation of computer network systems and data centers, including third party systems, and any disruption in the operations of these systems and data centers could materially and adversely affect our business.

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

Our systems and the systems of third-party processors are susceptible to outages and interruptions due to fire, natural disaster, power loss, telecommunications failures, software or hardware defects, terrorist attacks, pandemics such as the COVID-19 pandemic and similar events. We use both internally developed and third-party systems, including cloud computing and storage systems, for our services and certain aspects of transaction processing. Interruptions in our service may result for a number of reasons. For example, the data center hosting facilities that we use could be closed without adequate notice or suffer unanticipated problems resulting in lengthy interruptions in our service. Moreover, as we continue to add data centers and add capacity in our existing data centers, we could experience problems transferring customer accounts and data, impairing the delivery of our service.

Any damage to, or failure of, or delay in our processes or systems generally, or those of our vendors (including as a result of disruptions at our third-party data center hosting facilities and cloud providers), or an improper action by our employees, agents or third-party vendors, could result in interruptions in our service, causing customers, retail distributors and other partners to become dissatisfied with our products and services or obligate us to issue credits or pay fines or other penalties to them. Sustained or repeated process or system failures could reduce the attractiveness of our products and services, including our BaaS platform, and result in contract terminations, thereby reducing operating revenue and harming our results of operations. Further, negative publicity arising from these types of disruptions could be damaging to our reputation and may adversely impact use of our products and services, including our BaaS platform, and adversely affect our ability to attract new customers and business partners. Additionally, some of our contracts with retail distributors, including our contract with Walmart, contain service level standards pertaining to the operation of our systems, and provide the retail distributor with the right to collect damages and 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. In addition, our insurance costs may also increase substantially in the future to cover the costs our insurance carriers may incur.

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 BaaS platform partners 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. We cannot predict the effect of technological changes on our business. We rely in part on third parties for the development of, and access to, new technologies. We expect that new services and technologies applicable to our industry will continue to emerge, and these new services and technologies may be superior to, or render obsolete, the technologies we currently utilize in our products and services. Additionally, we may make future investments in, or enter into strategic alliances to develop, new technologies and services or to implement infrastructure change to further our strategic objectives, strengthen our existing businesses and remain competitive. However, our ability to 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, BaaS platform partners, 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.

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

In addition, to address the challenges we face with respect to fraudulent activity, we have implemented risk control mechanisms that have made it more difficult for all customers, including legitimate customers, to obtain and use our products and services. We believe it is likely that our risk control mechanisms may continue to adversely affect our new card activations 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 with 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 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.

A substantial portion of Green Dot Bank's deposit liabilities are currently classified as brokered deposits, and the failure by Green Dot Bank to maintain its status as a "well-capitalized" institution could have a serious adverse effect on Green Dot Bank's ability to conduct key portions of its current deposit-taking activity.

A vast majority of Green Dot Bank's deposits are currently classified as brokered. If Green Dot Bank ceases to be categorized as "well capitalized" under banking regulations, it could be prohibited from accepting, renewing or rolling over brokered deposits without the consent of the FDIC. In such a case, the FDIC's refusal to grant consent to our accepting, renewing or rolling over brokered deposits could materially adversely affect the financial condition and operations of Green Dot Bank and the Company and could effectively restrict the ability of Green Dot Bank to operate its business lines as presently conducted.

In February 2020, the FDIC released a notice of proposed rulemaking seeking comment on proposed revisions to its regulations relating to the brokered deposits restrictions that apply to less than well capitalized insured depository institutions. The FDIC states in the notice of proposed rulemaking that through the proposed changes, it intends to modernize its brokered deposit regulations to reflect recent technological changes and innovations. The proposed rule would create a new framework for analyzing certain provisions of the "deposit broker" definition, which will affect the classification of deposits as "brokered". We cannot predict whether or when the proposed rule will be implemented and whether it will result in a change in the way our deposits are classified.

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 or other business partners 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. For example, we are subject to the anti-money laundering reporting and recordkeeping requirements of the Bank Secrecy Act ("BSA"), as amended by the PATRIOT Act. In addition, legal requirements relating to the collection, storage, handling, use, disclosure, transfer, and security of personal data continue to increase, along with enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations.

Many of these laws and regulations are evolving, can be unclear and inconsistent across various jurisdictions, and ensuring compliance with them is difficult and costly. 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, banks that issue our cards and regulators, and could materially and adversely affect our business, operating results and financial condition.

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 banking, financial technology, transaction processing and tax refund processing services industries are highly regulated and, from time to time, the federal and state 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, tax preparation partners or other business 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 if 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.

From time to time, federal and state legislators and regulatory authorities, including state attorney generals, increase their focus on the banking, consumer financial services and tax preparation 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.

If new regulations or laws result in changes in the way we are regulated, these regulations could expose us to increased regulatory oversight, more burdensome regulation of our business, and increased litigation risk, each of which could increase our costs and decrease our operating revenues. Furthermore, limitations placed on the fees we charge or the disclosures that must be provided with respect to our products and services could increase our costs and decrease our operating revenues.

Changes in rules or standards set by the payment networks, 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 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 may increase the fees that they charge, which could increase our operating expenses, reduce our profit margin and adversely affect our business, results of operations and financial condition.

Furthermore, a substantial portion of our operating revenues is derived from interchange fees. For the three months ended March 31, 2020, interchange revenues represented 25.1% 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 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 constitutes forward-looking statements, is based upon a number of management's assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic, consumer and competitive uncertainties and contingencies, as well other factors, many of which are beyond our control (such as the COVID-19 pandemic), 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 over the last several years 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, especially in times of economic uncertainty. In addition, 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.

Due to the uncertainty around the scope and the duration of the COVID-19 pandemic, we have decided to withdraw our guidance for 2020 until we have better visibility into the effect of the COVID-19 pandemic on our results of operations. If and when we provide guidance in the future, if our operating or financial results for a particular period do not meet our guidance or the expectations of our investors and analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline.

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.

Further, we have in the past and may in the future experience operational issues with the third-party call centers that we rely on to provide customer support. For example, recently, many of our U.S. third-party call centers were closed in the first quarter due to the COVID-19 pandemic, which resulted in delayed responses to customers and a higher usage of automated services. While such issues have largely been resolved, these conditions contributed to transaction losses as compared to period periods. Any prolonged closure or disruption in the services provided by such call centers could have an adverse effect on our 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, new technologies, a decrease in our distribution partners' willingness to sell these products as a result of a more challenging regulatory environment or other factors outside of our control such as an economic downturn due to the COVID-19 pandemic. 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 decline. Any projected growth for the industry 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.

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, other business partners, 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, 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, other business partners, third-party processors or the merchants that accept our cards could result in significant reputational harm to us and cause the use and acceptance of our cards or other products and services to decline, either of which could have a significant adverse impact on our operating revenues and future growth prospects. Moreover, it may require substantial financial resources to address and remediate any such breach, including additional costs for replacement cards, manufacturing, distribution, re-stocking fees, fraud monitoring and other added security measures, among others, which could have a significant adverse impact on our operating results.

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 securities class actions and other litigation or regulatory or judicial proceedings or investigations. The outcome of 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, other business partners and card processors and decrease acceptance and use of, and loyalty to, our products and related services, and could impact the price of our Class A common stock. In addition, such proceedings or investigations could increase the risk that we will be involved in litigation. 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 may be unable to adequately protect our brand and our intellectual property rights related to our products and services or third parties may allege that we are infringing their intellectual property rights.

The Green Dot, GoBank, MoneyPak, TPG and other brands and marks 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 12 issued patents and 5 patent applications pending. Although we generally seek patent protection for inventions and improvements that we anticipate will be incorporated into our products and services, there is always a chance that our patents or patent applications could be challenged, invalidated or circumvented, or that an issued patent will not adequately cover the scope of our inventions or improvements incorporated into our products or services. Additionally, our patents could be circumvented by third-parties.

We may unknowingly violate the intellectual property or other proprietary rights of others and, thus, may be subject to claims by third parties. 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.

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 involve a number of special risks and challenges, including:

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

If we are unable to successfully integrate an acquired business or technology or otherwise address these special risks and challenges or other problems encountered in connection with an acquisition, we might not realize the anticipated benefits of that acquisition, we might incur unanticipated liabilities or we might otherwise 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 goodwill impairment charges, any of which could harm our financial condition and negatively impact our stockholders.

An impairment charge of goodwill or other intangible assets 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 $513.3 million as of March 31, 2020. 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.

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.

We face settlement risks from our distributors and banking partners, 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 March 31, 2020, we had assets subject to settlement risk of $281.2 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, such as the recent downturn due to the COVID-19 pandemic, 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. We believe the U.S. economy is entering into an economic downturn. If the recent economic downturn continues or deteriorates further due to the COVID-19 pandemic, we may experience a reduction in the number of our accounts that are purchased or reloaded, the number of transactions involving our cards and the use of our reload network and related services. A sustained reduction in the use of our products and related services, either as a result of a general reduction in consumer spending or as a result of a disproportionate reduction in the use of card-based payment systems, would materially harm our business, results of operations and financial condition.

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

Our ability to continue to provide our products and services to network participants, as well as to enhance our existing products and services and offer new products and services, is dependent on our information technology systems. If we are unable to manage and scale the technology associated with our business effectively, we could experience increased costs, reductions in system availability and losses of our network participants. Any failure of our systems in scalability and functionality would 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 have experienced transitions among our executive officers, including the departures of our founder, President and Chief Executive Officer, Steven W. Streit, as well as our Chief Operating Officer and Chief Financial Officer since December 31, 2019. We recently appointed a new Chief Executive Officer and are currently searching for a permanent Chief Financial Officer. If we fail to manage these transitions successfully, we could experience significant delays or difficulty in the achievement of our development and strategic objectives and our business, financial condition and results of operations could be materially and adversely harmed. 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. 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. If we fail to manage any future transitions successfully, we could experience significant delays or difficulty in the achievement of our development and strategic objectives and our business, financial condition and results of operations could be materially and adversely harmed. 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. Competition for qualified management, sales, marketing and program and technology development personnel can be intense. In order to attract and retain personnel in a competitive marketplace, we must provide competitive pay packages, including cash and equity-based compensation and the volatility in our stock price may from time to time adversely affect our ability to recruit or retain employees. 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 convertible or other debt securities; and
- borrowing funds under a new 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 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.

To maximize our liquidity and increase our available cash on hand in the event of a protracted COVID-19 pandemic, in March 2020 we drew down the full $100 million available under our revolving line of credit, for an outstanding balance of $100 million. If we are unable to access additional credit at the levels we require, or the cost of credit is greater than expected, it could adversely affect our operating results.

Some of our operations, including a significant portion of our software development operations, are located outside of the United States, which subjects us to additional risks, including increased complexity and costs of managing international operations and geopolitical instability.

We have significantly expanded our software development operations in Shanghai, China and we expect to continue to increase headcount and infrastructure as we scale our operations in this region. A prolonged disruption at our China facility for any reason due to natural- or man-made disasters, natural disasters, outbreaks of pandemic disease, such as the COVID-19 pandemic, climate change or other events outside of our control, such as equipment malfunction or large-scale outages or interruptions of service from utilities or telecommunications providers, could potentially delay our ability to launch new products or services, which could materially and adversely affect our business.

Additionally, as a result of our international operations, we face numerous other challenges and risks, including:

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

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, outbreaks of pandemic disease, such as COVID-19, and similar unforeseen events beyond our control. Our principal offices, for example, are situated in southern California near known earthquake fault zones and are currently subject to the state-wide shelter in place order. 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. Our insurance costs may also increase substantially in the future to cover the costs our insurance carriers may incur related to such events. 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 and banking regulators) 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.

Under our $100 million five-year revolving facility, we are subject to 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 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 2.50 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.

Changes in the method of determining LIBOR, or the replacement of LIBOR with an alternative reference rate, may adversely affect interest rates on our future indebtedness and may otherwise adversely affect our financial condition and results of operations.

Certain of our indebtedness is made at variable interest rates that use the London Interbank Offered Rate, or LIBOR (or metrics derived from or related to LIBOR), as a benchmark for establishing the interest rate. On July 27, 2017, the United Kingdom’s Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. These reforms may cause LIBOR to cease to exist, new methods of calculating LIBOR to be established, or alternative reference rates to be established. The potential consequences cannot be fully predicted and could have an adverse impact on the market value for or value of LIBOR-linked securities, loans, and other financial obligations or extensions of credit held by or due to us. Changes in market interest rates may influence our financing costs, returns on financial investments and the valuation of derivative contracts and could reduce our earnings and cash flows. In addition, any transition process may involve, among other things, increased volatility or illiquidity in markets for instruments that rely on LIBOR, reductions in the value of certain instruments or the effectiveness of related transactions such as hedges, increased borrowing costs, uncertainty under applicable documentation, or difficult and costly consent processes. This could materially and adversely effect our results of operations, cash flows, and liquidity. We cannot predict the effect of the potential changes to LIBOR or the establishment and use of alternative rates or benchmarks.

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 (including those caused by the COVID-19 pandemic);
- changes to the indices in which our Class A common stock is included;
- sales of shares of our Class A common stock by us or our stockholders; and
- other factors beyond our control, such as terrorism, war, natural disasters and pandemics, including the COVID-19 pandemic.

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 actions of stockholders.

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

Our charter documents, Delaware law and our status as 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;

- 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.

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

None.

ITEM 5. Other Information

None

ITEM 6. Exhibits

The following documents are filed as exhibits to this report:

Exhibit Number	Description of Exhibits
3.1(1)	Amendment to Amended and Restated Bylaws of Green Dot Corporation (dated March 4, 2020)
10.1(2)	2020 Executive Officer Incentive Bonus Plan
10.2(3)	Employment Agreement between Dan Henry and Green Dot Corporation dated March 24, 2020.
10.3	Green Dot Corporation Inducement Stock Option Award Agreement, dated March 25, 2020.
10.4	Green Dot Corporation Inducement Award Agreement (Performance Restricted Stock Unit), dated March 25, 2020.
10.5	Green Dot Corporation Inducement Award Agreement (Restricted Stock Unit), dated March 25, 2020.
31.1	Certification of Dan Henry, Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Jess Unruh, Interim Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Dan Henry, Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
32.2	Certification of Jess Unruh, Interim Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020, formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Statements of Changes in Stockholders' Equity, (v) Consolidated Statements of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Furnished and not filed.

(1) Exhibit 3.1 is incorporated by reference to Exhibit 3.1 filed with the Registrant's current report on Form 8-K, filed with the Commission on March 6, 2020.

(2) Exhibit 10.1 is incorporated by reference to Exhibit 10.1 filed with the Registrant's current report on Form 8-K, filed with the Commission on February 26, 2020.

(3) Exhibit 10.2 is incorporated by reference to Exhibit 10.1 filed with the Registrant's current report on Form 8-K, filed with the Commission on March 30, 2020.

SIGNATURE

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

Green Dot Corporation

Date:	May 11, 2020	By:	/s/ Jess Unruh
		Name:	Jess Unruh
		Title:	Interim Chief Financial Officer (Duly Authorized Officer and Principal Financial Officer)

Exhibit 10.3

Certain confidential information (indicated by [***]) has been omitted from this exhibit because it is both (i) not material and (ii) would likely cause competitive harm if publicly disclosed.

GREEN DOT CORPORATION
NOTICE OF STOCK OPTION GRANT

Unless otherwise defined herein, the terms defined in the Green Dot Corporation (the "***Company***") 2010 Equity Incentive Plan (the "***Plan***") shall have the same meanings in this Notice of Stock Option Grant (the "***Notice***"), except to the extent defined in that certain employment agreement by and between the Company and Dan Henry (the "***Employment Agreement***").

Name: Dan Henry

Address: By Electronic Mail

You (the "***Participant***") have been granted an option to purchase shares of Common Stock of the Company under the Plan subject to the terms and conditions of the Plan, this Notice and the Stock Option Award Agreement (the "***Option Agreement***").

Grant Number:	1,000,000
Date of Grant:	March 25, 2020
Vesting Commencement Date:	March 25, 2020
Exercise Price per Share:	$23.83
Total Number of Shares:	1,000,000
Type of Option:	__X__ Non-Qualified Stock Option
Expiration Date:	March 25, 2027

-

Post-Termination Exercise Period:	Voluntary without Good Reason (other than for Disability or Death) = 3 Months Disability = 12 Months Death = 12 Months Voluntary for Good Reason = 24 months Involuntary Termination without Cause = 24 months
Vesting Schedule:	Subject to the limitations set forth in this Notice and the Option Agreement, the Option will vest and may be exercised, in whole or in part, in accordance with the following schedule:

(a) **Performance-vesting requirement:** The Option shall satisfy the performance-vesting requirement to the extent that the Company's closing stock price over any twenty (20) consecutive trading day period occurring prior to the fifth anniversary of the Date of Grant is equal to or exceeds the applicable Stock Price Hurdle, during which the applicable Stock Price Hurdle of each such tranche is achieved, as follows:

Tranche	**Stock Price Hurdle**
Tranche 1: 33 1/3% of Option	[***]
Tranche 2: 33 1/3% of Option	[***]
Tranche 3: 33 1/3% of Option	[***]

(b) **Service-vesting requirement**: Subject to the satisfaction of the performance-vesting requirements above, to the extent you remain employed with the Company as CEO or are otherwise engaged as a service provider (within the meaning of Section 409A of the Code) to the Company through each of the applicable dates, the option shall vest and become exercisable as follows: (i) the first one-third (33%) of each Tranche of the Option shall become service-vested upon the first anniversary of the Date of Grant and (ii) the remaining two-thirds (66%) of each Tranche of the Option shall become service-vested in twenty-four (24) equal installments at the end of each calendar month occurring after such first anniversary.

(c) **Voluntary Termination for Good Reason/Involuntary Termination without Cause**: Notwithstanding anything in the Notice or this Option Agreement to the contrary, upon the termination of your employment without Cause by the Company or by you for Good Reason (each as such term is defined in the Employment Agreement), this Option shall become vested and exercisable in accordance with the terms of Section 10(b)(v) of the Employment Agreement.

You understand that your employment with the Company is subject to your Employment Agreement. You acknowledge that the vesting of the Options pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company, except as otherwise provided herein. Participant has read both the Option Agreement and the Plan.

PARTICIPANT:	**GREEN DOT CORPORATION**
Signature: /s/ Dan Henry	By: /s/ John C. Ricci
Print Name: Dan Henry	Its: General Counsel and Secretary
Date: April 7, 2020	Date: March 25, 2020

GREEN DOT CORPORATION
INDUCEMENT STOCK OPTION AWARD AGREEMENT

Unless otherwise defined in this Stock Option Award Agreement (the "***Agreement***"), any capitalized terms used herein shall have the meaning ascribed to them in the Green Dot Corporation (the "***Company***") 2010 Equity Incentive Plan (the "***Plan***"). This Award is not being made pursuant to the terms of the Plan, but shall be subject to the terms of the Plan as if granted thereunder and such terms shall be deemed incorporated herein by reference and made a part of this inducement grant. This Award is instead being made pursuant to Section 303A.08 of the New York Stock Exchange Listed Company Manual in connection with the Participant's commencement of service as Chief Executive Officer of the Company.

Participant has been granted an option to purchase Shares (the "***Option***"), subject to the terms and conditions of the Notice of Stock Option Grant (the "***Notice***") and this Agreement.

1. Vesting Rights. Subject to the applicable provisions of the Plan and this Agreement, this Option may be exercised, in whole or in part, in accordance with the schedule set forth in the Notice.

2. Termination Period.

(a) General Rule. Except as provided in the Notice, this Agreement and the Plan, in no event shall this Option be exercised later than the Expiration Date set forth in the Notice.

(b) Termination of Employment. Upon the termination of Participant's service to the Company, any vested portion of this Option may be exercised for the period set forth in the Notice and this Agreement, provided that (i) upon a termination of the Participant's employment for Cause, this Option (whether vested or unvested) shall immediately expire and (ii) in no event shall this Option be exercised later than the Expiration Date set forth in the Notice.

3. Grant of Option. The Participant named in the Notice has been granted an Option for the number of Shares set forth in the Notice at the exercise price per Share set forth in the Notice (the "Exercise Price"). In the event of a conflict between the terms and conditions of the Plan and the terms and conditions of this Agreement, the terms and conditions of the Plan shall prevail.

4. Exercise of Option.

(a) Right to Exercise. This Option is exercisable during its term in accordance with the Vesting Schedule set forth in the Notice and the applicable provisions of the Plan and this Agreement.

(b) Method of Exercise. This Option is exercisable by delivery of an exercise notice (the "***Exercise Notice***"), which shall state the election to exercise the Option, the number of Shares in respect of which the Option is being exercised (the "***Exercised Shares***"), and such other representations and agreements as may be required by the Company pursuant to the provisions of the Plan. The Exercise Notice shall be delivered in person, by mail, via electronic mail or facsimile or by other authorized method to the Secretary of the Company or other person designated by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by such aggregate Exercise Price.

(c) No Shares shall be issued pursuant to the exercise of this Option unless such issuance and exercise complies with all relevant provisions of law and the requirements of any stock exchange or quotation service upon which the Shares are then listed. Assuming such compliance, for income tax purposes the Exercised Shares shall be considered transferred to the Participant on the date the Option is exercised with respect to such Exercised Shares.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Participant:

(a) cash;

(b) check;

(c) a "broker-assisted" or "same-day sale" (as described in Section 11(d) of the Plan); or

(d) other method authorized by the Company.

6. Non-Transferability of Option. This Option may not be transferred in any manner other than by will or by the laws of descent or distribution or court order and may be exercised during the lifetime of Participant only by the Participant unless otherwise permitted by the Committee on a case-by-case basis. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.

7. Term of Option. This Option shall in any event expire on the expiration date set forth in the Notice of Stock Option Grant, which date is 7 years after the Date of Grant.

8. U.S. Tax Consequences. For Participants subject to U.S. income tax, some of the federal tax consequences relating to this Option, as of the date of this Option, are set forth below. All other Participants should consult a tax advisor for tax consequences relating to this Option in their respective jurisdiction. THIS SUMMARY IS NECESSARILY INCOMPLETE, AND THE TAX LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE

PARTICIPANT SHOULD CONSULT A TAX ADVISER BEFORE EXERCISING THIS OPTION OR DISPOSING OF THE SHARES. The Participant may incur federal ordinary income tax liability upon exercise of a Nonqualified Stock Option ("**NSO**"). The Participant will be treated as having received compensation income (taxable at ordinary income tax rates) equal to the excess, if any, of the Fair Market Value of the Exercised Shares on the date of exercise over their aggregate Exercise Price. If the Participant is an Employee or a former Employee, the Company will be required to withhold from his or her compensation an amount equal to the minimum amount the Company is required to withhold for income and employment taxes or collect from Participant and pay to the applicable taxing authorities an amount in cash equal to a percentage of this compensation income at the time of exercise, and may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

9. **Acknowledgement.** The Company and Participant agree that the Option is granted under and governed by the Notice, this Agreement and by the applicable provisions of the Employment Agreement and the Plan (each as incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of the Plan, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the Option subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

10. **Entire Agreement; Enforcement of Rights.** This Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

11. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

12. **Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded, and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

13. <u>No Rights as Employee, Director or Consultant</u>. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's service, for any reason, with or without cause.

By your signature and the signature of the Company's representative on the Notice, you and the Company agree that this Option is governed by the terms and conditions of the Plan (as if granted thereunder), the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and the Agreement. Participant further agrees to notify the Company upon any change in the residence address indicated on the Notice.

Certain confidential information (indicated by [***]) has been omitted from this exhibit because it is both (i) not material and (ii) would likely cause competitive harm if publicly disclosed.

GREEN DOT CORPORATION
NOTICE OF INDUCEMENT PERFORMANCE- BASED RESTRICTED STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the Green Dot Corporation (the "***Company***") 2010 Equity Incentive Plan (the "***Plan***") shall have the same meanings in this Notice of Restricted Stock Unit Award (the "***Notice***").

Name: Dan Henry

You (you or "***Participant***") have been granted an award of Restricted Stock Units ("***PRSUs***") under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Award Agreement (Performance – Based Restricted Stock Units) (hereinafter "***PRSU Agreement***").

Target Number of PRSUs:	**125,891**
Grant Date:	March 25, 2020
Expiration Date:	The date on which settlement of all PRSUs granted hereunder occurs, subject to earlier expiration in accordance with the terms of the Award Agreement and Exhibit A attached thereto.
Vesting Schedule:	Subject to the limitations set forth in this Notice, the Plan and the PRSU Agreement, the PRSUs will vest in accordance with the schedule set forth on Exhibit A.

You understand that your employment with the Company is subject to your Employment Agreement. You acknowledge that the vesting of the PRSUs pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company, except as otherwise expressly provided herein. You also understand that this Notice is subject to the terms and conditions of both the PRSU Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the PRSU Agreement and the Plan.

PARTICIPANT:	**GREEN DOT CORPORATION**
Signature: /s/ Dan Henry	By: /s/ John C. Ricci
Print Name: Dan Henry	Its: General Counsel and Secretary

GREEN DOT CORPORATION
INDUCEMENT AWARD AGREEMENT (PERFORMANCE RESTRICTED STOCK UNITS)

Unless otherwise defined herein, the terms defined in the Green Dot Corporation (the "***Company***") 2010 Equity Incentive Plan (the "***Plan***") shall have the same defined meanings in this Award Agreement (Performance Restricted Stock Units) (the "***Agreement***"), except to the extent defined in that certain employment agreement by and between the Company and Dan Henry (the "***Employment Agreement***"). This Award is not being made pursuant to the terms of the Plan, but shall be subject to the terms of the Plan as if granted thereunder and such terms shall be deemed incorporated herein by reference and made a part of this inducement grant. This Award is instead being made pursuant to Section 303A.08 of the New York Stock Exchange Listed Company Manual in connection with the Participant's commencement of service as Chief Executive Officer of the Company.

You have been granted performance-based Restricted Stock Units ("***PRSUs***") subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Stock Unit Award (the "***Notice***") and this Agreement.

1. Settlement. Settlement of PRSUs shall be made within 30 days following the applicable date of vesting under the vesting schedule set forth in the Notice. Settlement of PRSUs shall be in Shares.

2. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested PRSUs, Participant shall have no ownership of the Shares allocated to the PRSUs and shall have no right dividends or to vote such Shares.

3. Dividend Equivalents. Dividends, if any (whether in cash or Shares), shall not be credited to Participant.

4. No Transfer. The PRSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

5. Termination. If Participant's service Terminates for Cause by the Company or without Good Reason by Participant (including due to death or Disability), all unvested PRSUs shall be forfeited to the Company forthwith, and all rights of Participant to such PRSUs shall immediately terminate. Notwithstanding anything in the Notice or this Award Agreement to the contrary, upon the termination of Participant's employment without Cause by the Company or by you for Good Reason (each as such term is defined in the Employment Agreement), the PRSUs shall become vested in accordance with the terms of Section 10(b)(v) of the Employment Agreement. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. **U.S. Tax Consequences.** Participant acknowledges that there will be tax consequences upon settlement of the PRSUs or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant's tax obligations prior to such settlement or disposition. Upon vesting of the PRSU, Participant will include in income the fair market value of the Shares subject to the PRSU. The included amount will be treated as ordinary income by Participant and will be subject to withholding by the Company when required by applicable law. Further, a PRSU may be considered a deferral of compensation that may be subject to Section 409A of the Code. Section 409A of the Code imposes special rules to the timing of making and effecting certain amendments of this PRSU with respect to distribution of any deferred compensation. You should consult your personal tax advisor for more information on the actual and potential tax consequences of this PRSU.

7. **Acknowledgement.** The Company and Participant agree that the Option is granted under and governed by the Notice, this Agreement and by the applicable provisions of the Employment Agreement and the Plan (each as incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of the Plan, (ii) represents that Participant has carefully read and is familiar with their provisions, and (iii) hereby accepts the PRSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

8. **Entire Agreement; Enforcement of Rights.** This Agreement, the Employment Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the acquisition of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

9. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

10. **Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

11. **<u>Recoupment</u>.** This Policy is subject to the terms and conditions of the Compensation Recovery Policy adopted by the Committee in April 2017, as it may be amended from time to time, and any of the Company's other applicable recoupment or clawback policies (as previously adopted, and as may be amended or restated from time to time). Notwithstanding the foregoing, the Company may, in its sole discretion, implement any recoupment or clawback policies or make any changes to any of the Company's existing recoupment or clawback policies, as the Company deems necessary or advisable in order to comply with applicable law or regulatory guidance (including, without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act).

12. **<u>No Rights as Employee, Director or Consultant</u>.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or Subsidiary of the Company, to terminate Participant's service, for any reason, with or without cause.

By your signature and the signature of the Company's representative on the Notice, Participant and the Company agree that this PRSU is governed by the terms and conditions of the Plan (as if granted thereunder), the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address.

<u>Exhibit A</u>

Vesting Schedule

Performance-Based Restricted Stock Unit ("***PRSU***") Grant

Dan Henry PRSU Grant, dated **March 25, 2020**

Terms not otherwise defined in this Exhibit A shall have the meaning ascribed to them in the Plan or the Award Agreement to which this Exhibit A is attached, as applicable.

The Shares subject to the PRSU shall vest subject to (I) the Company's achievement of the Earnings Per Share Target (as determined and certified by the Company's Compensation Committee) set forth below and (II) Participant's continued employment with the Company through the date the Compensation Committee certifies achievement of the Earnings Per Share Target, at which time, (x) twenty-five percent (25%) of the Percentage Target PRSUs will become immediately vested and settled, and (y) the remaining seventy-five percent (75%) of such Percentage Target PRSUs will become immediately vested and settled in equal annual installments over the next three years on each December 15 such that all Shares subject to this PRSU shall be fully vested on December 15, 2023, subject to Participant's continued employment hereunder through each such anniversary date. Notwithstanding the foregoing, if the Percentage Target PRSUs are 0%, all PRSUs will immediately terminate without payment on the first anniversary of the Grant Date.

The determination of whether the Earnings Per Share target has been satisfied will be made by the Company's Compensation Committee of the Board (with such determination to be made not later than March 15, 2021).

Earnings Per Share Target:	**$[***]**

Earnings Per Share*	**Percentage Target PRSUs to Vest**
Less than $[***]	[***]%
$[***]	[***]%
$[***]	**[***]%**
$[***] to $[***]	[***]%
$[***]	**[***]%**
$[***] or greater	[***]%

____

* Rounded to the nearest whole cent

Notwithstanding anything in the Notice or this Award Agreement to the contrary, upon the termination of Participant's employment without Cause by the Company or by Participant for Good Reason (each as such term is defined in the Employment Agreement), this PRSU shall become vested and exercisable in accordance with the terms of Section 10(b)(v) of the Employment Agreement.

Definitions/Principles

"Earnings Per Share" will be calculated as non-GAAP EPS (as defined below) [and shall ***exclude*** the impact of Shares repurchased by the Company in calendar year 2020.

"Earnings Per Share Target" is the applicable dollar amount derived from the calculation in the EPS Table above.

"Goal" means the amount of non-GAAP EPS that the Compensation Committee determined on the Grant Date as the goal under this PRSU and has communicated to the Participant upon notifying the Participant of this PRSU award.

"Non-GAAP EPS" means GAAP net income for the year ending December 31, 2020 reflected in the Company's consolidated statements of income excluding (i) employee stock-based compensation expense and related employer payroll taxes, (ii) amortization of acquired intangibles, (iii) change in fair value of contingent consideration, (iv) transaction costs, (v) impairment charges, (vi) amortization of deferred financing costs, (vii) impairment charges, (viii) extraordinary severance expenses, and (ix) other income and expense that the Compensation Committee determines are not reflective of ongoing operating results, each tax effected using the Company's year-to-date effective tax rate, divided by the diluted weighted-average shares issued and outstanding for the year ending December 31, 2020 reflected in the Company's consolidated statements of income after giving effect to the assumed conversion of weighted-average shares of preferred stock for that period. The items to be excluded for purposes of computing non-GAAP EPS under clause (ix) are subject to the review and approval of the Compensation Committee.

"Percentage Target PRSUs" means the Target PRSUs multiplied by the percentage set forth in the EPS Table above in the column captioned "Percentage Target PRSUs to Vest" that corresponds to the Earnings Per Share Target that the Company's Compensation Committee determines and certifies as provided above. To the extent the Compensation Committee determines and certifies that the Earnings Per Share generated by the Company for the Performance Period is in between Earnings Per Share Targets, the percentage to be used to calculate the Percentage Target PRSUs shall be determined by the Compensation Committee through interpolation.

"Performance Period" means January 1, 2020 through December 31, 2020.

"Target PRSUs" means the number of shares of Common Stock associated with the PRSU grant as determined by the Compensation Committee, and as set forth in the notice of grant as being the "Target Number of PRSUs."

Exhibit 10.5

GREEN DOT CORPORATION
NOTICE OF INDUCEMENT RESTRICTED STOCK UNIT AWARD

Unless otherwise defined herein, the terms defined in the Green Dot Corporation (the “***Company***”) 2010 Equity Incentive Plan (the “***Plan***”) shall have the same meanings in this Notice of Restricted Stock Unit Award (the “***Notice***”).

Name: Dan Henry

Address: Via Electronic Mail

You (“***Participant***”) have been granted an award of Restricted Stock Units (“***RSUs***”) under the Plan subject to the terms and conditions of the Plan, this Notice and the attached Award Agreement (Restricted Stock Units) (hereinafter “***RSU Agreement***”).

Number of RSUs:	41,963
Date of Grant:	March 25, 2020
Vesting Commencement Date:	March 25, 2020
Expiration Date:	The date on which settlement of all RSUs granted hereunder occurs, subject to earlier expiration in accordance with the terms of the Award Agreement.
Vesting Schedule:	Subject to the limitations set forth in this Notice, the Plan and the RSU Agreement, the RSUs will vest in equal annual installments on each of the first three anniversaries of the Vesting Commencement Date.

You understand that your employment with the Company is subject to your Employment Agreement. You acknowledge that the vesting of the RSUs pursuant to this Notice is earned only by continuing service as an Employee, Director or Consultant of the Company. You also understand that this Notice is subject to the terms and conditions of both the RSU Agreement and the Plan, both of which are incorporated herein by reference. Participant has read both the RSU Agreement and the Plan.

PARTICIPANT:	**GREEN DOT CORPORATION**
Signature: /s/ Dan Henry	By: /s/ John C. Ricci
Print Name: Dan Henry	Its: General Counsel and Secretary

GREEN DOT CORPORATION
INDUCEMENT AWARD AGREEMENT (RESTRICTED STOCK UNITS)

Unless otherwise defined herein, the terms defined in the Green Dot Corporation (the "***Company***") 2010 Equity Incentive Plan (the "***Plan***") shall have the same defined meanings in this Award Agreement (Restricted Stock Units) (the "***Agreement***"), except to the extent defined in that certain employment agreement by and between the Company and Dan Henry (the "***Employment Agreement***"). This Award is not being made pursuant to the terms of the Plan, but shall be subject to the terms of the Plan as if granted thereunder and such terms shall be deemed incorporated herein by reference and made a part of this inducement grant. This Award is instead being made pursuant to Section 303A.08 of the New York Stock Exchange Listed Company Manual in connection with the Participant's commencement of service as Chief Executive Officer of the Company.

You have been granted Restricted Stock Units ("***RSUs***") subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Stock Unit Award (the "***Notice***") and this Agreement.

1. **<u>Settlement</u>.** Settlement of RSUs shall be made within 30 days following the applicable date of vesting under the vesting schedule set forth in the Notice. Settlement of RSUs shall be in Shares.

2. **<u>No Stockholder Rights</u>.** Unless and until such time as Shares are issued in settlement of vested RSUs, Participant shall have no ownership of the Shares allocated to the RSUs and shall have no right dividends or to vote such Shares.

3. **<u>Dividend Equivalents</u>.** Dividends, if any (whether in cash or Shares), shall not be credited to Participant.

4. **<u>No Transfer</u>.** The RSUs and any interest therein shall not be sold, assigned, transferred, pledged, hypothecated, or otherwise disposed of.

5. **<u>Termination</u>.** If Participant's service Terminates for Cause by the Company or without Good Reason by Participant (including due to death or Disability), all unvested RSUs shall be forfeited to the Company forthwith, and all rights of Participant to such RSUs shall immediately terminate. Notwithstanding anything in the Notice or this Award Agreement to the contrary, upon the termination of Participant's employment without Cause by the Company or by you for Good Reason (each as such term is defined in the Employment Agreement), the RSUs shall become vested in accordance with the terms of Section 10(b)(v) of the Employment Agreement. In case of any dispute as to whether Termination has occurred, the Committee shall have sole discretion to determine whether such Termination has occurred and the effective date of such Termination.

6. **<u>U.S. Tax Consequences</u>.** Participant acknowledges that there will be tax consequences upon settlement of the RSUs or disposition of the Shares, if any, received in connection therewith, and Participant should consult a tax adviser regarding Participant's tax obligations prior to such settlement or disposition. Upon vesting of the RSU, Participant will include in income the fair market value of the Shares subject to the RSU. The included amount will be treated as ordinary income by Participant and will be subject to withholding by the Company when required by applicable law. Further, an RSU may be considered a deferral of compensation that may be subject to Section 409A of the Code. Section 409A of the Code imposes special rules to the timing of making and effecting certain amendments of this RSU with respect to distribution of any deferred compensation. You should consult your personal tax advisor for more information on the actual and potential tax consequences of this RSU.

7. **Acknowledgement.** The Company and Participant agree that the Option is granted under and governed by the Notice, this Agreement and by the applicable provisions of the Employment Agreement and the Plan (each as incorporated herein by reference). Participant: (i) acknowledges receipt of a copy of the Plan, (ii) represents that Participant has carefully read and is familiar with its provisions, and (iii) hereby accepts the RSUs subject to all of the terms and conditions set forth herein and those set forth in the Plan and the Notice.

8. **Entire Agreement; Enforcement of Rights.** This Agreement, the Employment Agreement, the Plan and the Notice constitute the entire agreement and understanding of the parties relating to the subject matter herein and supersede all prior discussions between them. Any prior agreements, commitments or negotiations concerning the purchase of the Shares hereunder are superseded. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing and signed by the parties to this Agreement. The failure by either party to enforce any rights under this Agreement shall not be construed as a waiver of any rights of such party.

9. **Compliance with Laws and Regulations.** The issuance of Shares will be subject to and conditioned upon compliance by the Company and Participant with all applicable state and federal laws and regulations and with all applicable requirements of any stock exchange or automated quotation system on which the Company's Common Stock may be listed or quoted at the time of such issuance or transfer.

10. **Governing Law; Severability.** If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of this Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of this Agreement shall be enforceable in accordance with its terms. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, without giving effect to principles of conflicts of law.

11. **No Rights as Employee, Director or Consultant.** Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a Parent or

Subsidiary of the Company, to terminate Participant's service, for any reason, with or without cause.

By your signature and the signature of the Company's representative on the Notice, Participant and the Company agree that this RSU is governed by the terms and conditions of the Plan (as if granted thereunder), the Notice and this Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. Participant further agrees to notify the Company upon any change in Participant's residence address.

Exhibit 31.1

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

I, Dan Henry, certify that:

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

Date:	May 11, 2020	By:	/s/ Dan Henry
		Name:	Dan Henry Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

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

I, Jess Unruh, certify that:

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

Date:	May 11, 2020	By:	/s/ Jess Unruh
		Name:	Jess Unruh Interim Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

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

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

- the Quarterly Report on Form 10-Q of Green Dot Corporation for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Green Dot Corporation.

Date:	May 11, 2020	By:	/s/ Dan Henry
		Name:	Dan Henry Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

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

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

- the Quarterly Report on Form 10-Q of Green Dot Corporation for the quarter ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Green Dot Corporation.

Date:	May 11, 2020	By:	/s/ Jess Unruh
		Name:	Jess Unruh Interim Chief Financial Officer (Principal Financial Officer)