About Non-GAAP Financial Measures

To supplement the Company's consolidated financial statements presented in accordance with GAAP, the Company uses measures of operating results, net income, which are adjusted to exclude interest expense (income), net, income tax expense, depreciation and amortization, stock-based compensation expense and stock-based retailer incentive compensation. In particular, the Company's discloses Adjusted EBITDA, which is calculated by adding stock-based compensation expense and stock-based retailer incentive expense to net income before interest expense (income), income tax expense (benefit) and depreciation and amortization (EBITDA). These non-GAAP results are not in accordance with, or an alternative or substitute for, results prepared in accordance with accounting principles generally accepted in the United States of America, and should be read only in conjunction with the Company's consolidated financial measures prepared in accordance with GAAP. The Company's non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies. The Company believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. The Company's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate the Company's business and make operating decisions. For additional information regarding the Company's use of Adjusted EBITDA and the items excluded by the Company from one or more of its non-GAAP financial measures, investors are encouraged to review the reconciliations of the Company's non-GAAP financial measures to the comparable GAAP financial measures, which are included herein, and which can be found on the Investor Relations section of our website at http://ir.greendot.com/.

GREEN DOT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands except per share data)			
Operating revenues:				
Card revenues	$ 42,228	$ 30,977	$ 84,386	$ 62,162
Cash transfer revenues	24,364	16,383	47,146	32,127
Interchange revenues	26,183	15,530	54,062	29,341
Stock-based retailer incentive compensation	(2,457)	—	(2,457)	—
Total operating revenues	90,318	62,890	183,137	123,630
Operating expenses:				
Sales and marketing expenses	31,433	15,232	57,472	35,248
Compensation and benefits expenses	16,593	10,751	32,853	20,161
Processing expenses	13,872	9,441	28,552	17,141
Other general and administrative expenses	11,266	5,928	23,021	11,134
Total operating expenses	73,164	41,352	141,898	83,684
Operating income	17,154	21,538	41,239	39,946
Interest income	86	68	158	115
Interest expense	(2)	—	(25)	—
Income before income taxes	17,238	21,606	41,372	40,061
Income tax expense	4,730	9,073	16,049	16,822
Net income	12,508	12,533	25,323	23,239
Dividends, accretion, and allocated earnings of preferred stock	(7,917)	(8,600)	(16,349)	(15,827)
Net income allocated to common stockholders	$ 4,591	$ 3,933	$ 8,974	$ 7,412
Basic earnings per common share:				
Class A common stock	$ 0.32	$ —	$ 0.66	$ —
Class B common stock	$ 0.32	$ 0.33	$ 0.66	$ 0.62
Basic weighted-average common shares issued and outstanding				
Class A common stock	13	—	6	—
Class B common stock	12,985	12,046	12,949	12,043
Diluted earnings per common share:				
Class A common stock	$ 0.29	$ —	$ 0.61	$ —
Class B common stock	$ 0.29	$ 0.25	$ 0.61	$ 0.47
Diluted weighted-average common shares issued and outstanding				
Class A common stock	16,325	—	16,113	—
Class B common stock	16,311	15,800	16,107	15,700

GREEN DOT CORPORATION

Reconciliation of GAAP Net Income to Adjusted EBITDA(1)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands, except percentages)			
Reconciliation of Net Income to Adjusted EBITDA				
Net income	$ 12,508	$ 12,533	$ 25,323	$ 23,239
Interest expense (income), net	(84)	(68)	(133)	(115)
Income tax expense	4,730	9,073	16,049	16,822
Depreciation and amortization	1,800	1,167	3,363	2,325
Stock-based compensation expense(3)(4)	1,658	627	3,500	1,183
Stock-based retailer incentive compensation(5)(4)	2,457	—	2,457	—
Adjusted EBITDA(2)	$ 23,069	$ 23,332	$ 50,559	$ 43,454
Non-GAAP total operating revenues	$ 92,775	$ 62,890	$185,594	$ 123,630
Adjusted EBITDA / Non-GAAP total operating revenue (Adjusted EBITDA Margin)	24.9%	37.1%	27.2%	35.1%

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands)			
Reconciliation of Non-GAAP Total Operating Revenues to Total Operating Revenues				
Total operating revenues	$ 90,318	$ 62,890	$ 183,137	$ 123,630
Stock-based retailer incentive compensation(5)(4)	2,457	—	2,457	—
Non-GAAP total operating revenues	$ 92,775	$ 62,890	$ 185,594	$ 123,630

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(in thousands)			
Reconciliation of Non-GAAP Net Income to Net Income				
Net income	$ 12,508	$ 12,533	$ 25,323	$ 23,239
Stock-based compensation expense(3)	1,203	364	2,142	686
Stock-based retailer incentive compensation(5)	1,783	—	1,504	—
Non-GAAP net income	$ 15,494	$ 12,897	$ 28,969	$ 23,925

GREEN DOT CORPORATION

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Total Operating Revenue

	Range	
	Low	High
	(in millions)	
Reconciliation of Non-GAAP Total Operating Revenues to Total Operating Revenues		
Total operating revenues	$ 355.0	$ 370.0
Stock-based retailer incentive compensation (5)	15.0	10.0
Non-GAAP total operating revenues	$ 370.0	$ 380.0

Reconciliation of Forward Looking Guidance for Non-GAAP Financial Measures to Projected GAAP Net Income

	Range	
	Low	High
	(in millions, except percentages)	
Reconciliation of Net Income to Adjusted EBITDA		
Net Income	$ 35.0	$ 44.0
Adjustments (6)	57.0	52.0
Adjusted EBITDA (2)	$ 92.0	$ 96.0
Non-GAAP total operating revenues	$ 380.0	$ 370.0
Adjusted EBITDA / Non-GAAP total operating revenues (Adjusted EBITDA Margin)	24%	26%

(1) These non-GAAP financial measures are not in accordance with, or an alternative for, results prepared in accordance with accounting principles generally accepted in the United States of America, and should be read only in conjunction with the Company's consolidated financial measures prepared in accordance with GAAP. The Company believes that the presentation of non-GAAP financial measures provides useful information to management and investors regarding underlying trends in its consolidated financial condition and results of operations. The Company's management regularly uses these supplemental non-GAAP financial measures internally to understand, manage and evaluate the Company's business and make operating decisions. For a detailed explanation of these non-GAAP financial measures, please refer to the following footnotes.

(2) The Company discloses Adjusted EBITDA because it uses it as an important supplemental measure of its overall operating performance and believes that similarly-titled measures are widely used by investors to measure a company's operating performance without regard to items, such as interest expense, income tax expense, depreciation and amortization, stock-based compensation expense and stock-based retailer incentive compensation, that can vary substantially from company to company depending upon their financing structure and accounting policies, the book value of their assets, their capital structures and the method by which their assets were acquired. The Company's management uses Adjusted EBITDA to evaluate the Company's performance as compared to other companies in the Company's industry that have different financing and capital structures and/or tax rates. See also footnotes (3) and (5). In addition, Adjusted EBITDA has material limitations as a performance measure because it does not reflect:

- the Company's capital expenditures or future requirements for capital expenditures or other contractual commitments;
- the changes in, or cash requirements for, the Company's working capital needs;
- interest expense or interest income;
- cash requirements for income taxes;

- reflect any cash requirements for the replacement, if any, of the assets being depreciated or amortized; and
- other companies in the Company's industry may calculate Adjusted EBITDA differently than the Company does, limiting its usefulness as a comparative measure.

(3) This expense consists primarily of expenses for employee stock options. Stock-based compensation expense is not comparable from period to period due to changes in accounting treatment, changes in the fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets) and the financial performance of our peers, and is not a key measure of our operations. The Company excludes stock-based compensation expense from its non-GAAP financial measures primarily and because it consists of non-cash expenses that the Company does not believe are reflective of ongoing operating results. Further, the Company believes that it is useful to investors to understand the impact of stock-based compensation to its results of operations.

(4) The Company excludes the income tax impact of the associated non-GAAP adjustment from Adjusted EBITDA or Non-GAAP total operating revenues, as the case may be, because each of these non-GAAP financial measures is provided before income tax (benefit) expense.

(5) This amount represents the recorded fair value of the shares for which the Company's right to repurchase has lapsed under the terms of the agreement under which they were issued to Walmart Stores, Inc., a contra-revenue component of the Company's total operating revenues. The Company would record additional stock-based retailer incentive compensation to the extent that a warrant to purchase its Class B common stock vests and becomes exercisable upon the achievement of certain performance goals by PayPal. Prior to the three months ended June 30, 2010, the Company did not record stock-based retailer incentive compensation expense. In future periods, the Company does not expect this expense will be comparable from period to period due to changes in the fair value of its Class A common stock. The Company does not believe these non-cash expenses are reflective of ongoing operating results.

(6) These amounts represent estimated adjustments for net interest income, income taxes, depreciation and amortization, stock-based compensation expense, and stock-based retailer incentive compensation. Stock-based compensation expense and stock-based retailer incentive compensation include assumptions about the future fair market value of the Company's Class A common stock (which is influenced by external factors like the volatility of public markets) and the financial performance of our peers.