GREEN DOT'S LARGEST ACTIVE INDEPENDENT SHAREHOLDER, HARVEST CAPITAL STRATEGIES, DEMANDS IMMEDIATE LEADERSHIP AND BOARD CHANGES TO DRIVE SHAREHOLDER VALUE

Releases Detailed Presentation on Green Dot and Delivers Letter to Green Dot's Board

Launches Website: www.FIXGDOT.com

Highlights the Chronic Failures and Destructive Underperformance Under the Watch of the Current CEO and Board

Outlines Plan for Enhancing Long-Term Shareholder Value that Could Double Earnings Per Share Over the Next Three Years Based on "Self-Help" Initiatives Focused on Reasonable Strategic and Financial Strategies

Has Attempted to Work Privately and Constructively with Green Dot to Make the Required Changes, but to No Avail

SAN FRANCISCO, CA – January 25, 2016 – Harvest Capital Strategies LLC (together with its affiliates, "Harvest"), the largest active independent shareholder of Green Dot Corporation ("Green Dot" or the "Company") (NYSE:GDOT), with beneficial ownership of approximately 6.2% of the outstanding common stock of the Company, today announced that it has released a comprehensive presentation on Green Dot titled "Proven Leadership is the Missing Ingredient for Long-Term Success," outlining in detail Harvest's significant concerns regarding the continued mismanagement and value destruction at Green Dot under the direction of its current CEO, Steve Streit, and demanding immediate leadership change to drive shareholder value and address Green Dot's poor operational execution, inconsistent financial results, and stock underperformance. Harvest also announced that it has delivered a letter to Green Dot's Board of Directors (the "Board").

Harvest has launched a website, www.FIXGDOT.com, where Green Dot shareholders and other interested parties can view the full Presentation, the unabridged letter to the Board, and other materials relating to Harvest's endeavors to enhance shareholder value at Green Dot, as such materials become available. Harvest has retained the services of leading activist advisor, Olshan Frome Wolosky LLP, for its campaign at Green Dot.

An abridged version of the letter that Harvest delivered to the Board follows:

January 25, 2016

The Board of Directors
Green Dot Corporation
3465 East Foothill Blvd
Pasadena, CA 91107

Dear Mmes. Dent and Bridgforth-Hodges and Messrs. Altman and Shaheen:

Harvest Capital Strategies and affiliates ("Harvest") currently beneficially own 3,250,000 shares of Green Dot Corporation ("Green Dot" or the "Company"), representing 6.2% of the outstanding shares and making us the Company's largest active outside investor. We are long-term shareholders, now in our fourth year as investors, having initially bought shares in late 2012. This letter, as well as our comprehensive Presentation, highlights the plethora of serious issues that continue to go unaddressed by Green Dot's complacent and misaligned Board of Directors (the "Board") and why meaningful changes are required to begin rebuilding shareholder value.

Harvest is a sixteen year old investment firm with approximately $2.3 billion of assets under management. Our objective is to invest in misunderstood businesses with capable, well-aligned fiduciaries, who are focused on long-term value creation. We partner with our management teams to understand their business models, strategic decisions, and why the subsequent financial results look like they do. We are supportive and patient investors. In the 16 year history of our firm, spanning hundreds of investments, Green Dot is the only company with leadership and execution so problematic that we are compelled to approach the board. Our flagship fund, Harvest Small Cap Partners ("HSCP"), has generated net compound annualized returns of more than 15% since inception. We strive to "do what is right" for our investors, such as closing HSCP to new investments in 2008 and returning nearly all investor profits since 2010 to ensure our fund remains appropriately sized to execute our strategy. Unfortunately, the same investor alignment and commitment to excellence have been noticeably absent at Green Dot.

Harvest can no longer sit idly by while the Board and CEO Steve Streit continue to destroy shareholder value quarter after quarter. As shareholder value burns, Mr. Streit and his Board continue to fiddle. As such, we have no choice but to make our concerns regarding Green Dot publicly known at this time.

In our view, Mr. Streit must be immediately replaced due to his (i) persistently poor performance, (ii) misleading and inconsistent investor communications and (iii) inability to deliver on promises to shareholders. Under Mr. Streit's leadership, Green Dot has failed to achieve its financial forecasts in three of the last four years, while its stakeholders have suffered double-digit percentage declines in four of the last five years. Accountability is paramount, and we believe shareholder value will remain depressed until Mr. Streit is replaced.

For the better part of 2015, we attempted to engage constructively with Green Dot's Board in hopes of privately addressing the Company's strategic missteps, weak financial results, and incessant value destruction since its 2010 initial public offering (IPO). The Board's refutation of Harvest's well-founded concerns regarding leadership has been that Mr. Streit is an entrepreneurial visionary. We happen to agree. Mr. Streit's entrepreneurial accomplishments are too numerous to list, and he deserves immense credit for building Green Dot from 1999 concept to 2010 IPO. In addition to his entrepreneurial achievements, Mr. Streit has served as an important national advocate for the financial inclusion of the unbanked/under-banked community. If Green Dot were still a small, high-growth start-up, we could think of few better leaders than Mr. Streit. However, Green Dot's leadership needs have changed as the Company has evolved from a monoline general purpose reloadable ("GPR") debit card provider to a complex organization with multiple business units and nearly 1,000 employees. The Green Dot of *today* requires a proven leader who can deliver consistent performance for shareholders. Mr. Streit has proven over many years he is not that person.

While we appreciate the Board's willingness to meet with Harvest, its unwavering loyalty to Mr. Streit is a microcosm of their broader failures. The Board has failed to demonstrate a shareholder-focused mindset; has failed to hold management or itself accountable; and has failed to place the best interests of its shareholders ahead of the personal interests of insiders. Due to the Board's complacency and misalignment, we believe the Board must be immediately reconstituted with meaningful shareholder representation by way of new directors who will bring a fresh perspective and commitment to represent shareholders' best interests.

Despite our deep-rooted concerns, we believe the Company possesses substantial franchise value and earnings power that has been "trapped" under Mr. Streit's stewardship. Green Dot remains the dominant brand in the GPR prepaid card industry, which, contrary to Wall Street's "conventional wisdom," is one of the fastest growing segments in financial services, with demand extending well beyond the traditional unbanked consumer segment. According to Aite Group, one-third of prepaid cardholders earn more than $45,000 per year and have a college degree.[1] Accompanying the broadening base and increased use case for prepaid cards has been a greater economic pie. A study by MasterCard and Boston Consulting Group indicates domestic prepaid card load value is expanding at a 16% CAGR and will reach $421 billion by 2017.[2]

Providing previously unmet financial services to the low/moderate income segment of the U.S. population represents a growth avenue for many of the country's largest financial institutions. Over the last five years, Green Dot's dominance in the GPR market attracted competition ranging from American Express (Bluebird & Serve) and JP Morgan (Liquid), to Western Union, MoneyGram, Magic Johnson, and even the Kardashians. After several years of intense competition, the fragmented market is consolidating and pricing is stable. Today, there are just three major GPR players – Green Dot, NetSpend and American Express, with signs AmEx may be continuing its gradual exit from the market.[3] [4]

Fortunately, Green Dot's franchise has thus far withstood the comedy of execution errors discussed herein. According to a Harvest commissioned survey, the prepaid industry's top two brands reside under the Green Dot portfolio umbrella, with nearly two times the brand preference of its next closest competitor.[5] Additionally, Green Dot owns the largest reload network in the industry (processing over 50 million reload transactions in 2014) and has a vast distribution footprint (100,000 retail doors) and the largest active card portfolio (4.5 million active cardholders).[6]

Green Dot's franchise has remained resilient in the face of competitive pressure and repeated leadership failures, which is a testament to the talented employees at Green Dot. Despite incessant fears of pricing pressure and fee cuts, Green Dot's per card economics have been remarkably stable. As Green Dot's card portfolio has matured and direct deposit customers have grown as a percentage of overall load mix, annual revenue per active card has increased from $124 in 2010 to $133 in 2014. And despite an undisciplined approach towards costs and capital expenditures, Green Dot continues to generate material free cash flow. In 2015, Green Dot should generate $90+ million of free cash flow, which illustrates management's lack of credibility when juxtaposed against the Company's $700 million enterprise value.[7]

Since its IPO, Green Dot's stock has declined by 65%.[8] Along the way, the Company has encountered challenges, but competition is not unique to Green Dot. The Company's closest peer, NetSpend, has consistently produced double-digit organic revenue growth with EBITDA margins around 27%. There is no industry-wide issue afflicting Green Dot. This is a Green Dot issue, and more specifically, a Green Dot leadership issue. While numerous personnel changes have occurred, Mr. Streit has been the constant factor linked to the Company's long-term, perpetual disappointments. By blaming exogenous industry factors, as opposed to objectively acknowledging Mr. Streit's limitations, the Board has demonstrated, we believe, a failure to act as fiduciaries to *all* stakeholders.

A short-term panacea would be for the Board to hire a financial advisor to pursue strategic alternatives. Considering Green Dot's substantial, internal value creation opportunities, Harvest believes far greater shareholder value can be created through an independent path. Replacing Mr. Streit with a proven, shareholder-oriented CEO would finally put Green Dot on the right track towards significant value creation. As illustrated later in this letter, we believe a pedestrian path exists for Green Dot to double its earnings per share within three years. Should a credible leader begin delivering on promises to shareholders, it is reasonable to assume Green Dot's currently depressed 4.6x EBITDA multiple can expand. Our base case, which assumes no transformational changes other than leadership, implies a Green Dot stand-alone fair value of $40 per share.[9] This stand-alone outcome is more desirable than pursuing a sale from today's (self-inflicted) depressed stock price. Should a leadership change not occur, we believe the Company must hire a financial advisor to explore strategic alternatives, as opposed to allowing Mr. Streit to continue destroying shareholder value.

In this letter, as well as our Presentation [www.FIXGDOT.com], we discuss the following subjects in greater detail:

1) **Harvest's attempts to engage privately and constructively with the Board have proven futile** - For most of 2015, we worked privately and in good faith with the Board to address the myriad of issues plaguing Green Dot. As recently as December 2015, the Board reiterated its belief that no change to the leadership status quo was required or being considered. After wasting nearly a year attempting to engage constructively with the Board, it has become clear that pursuing a private path to create meaningful change at Green Dot is an unrealistic option.

2) **Stakeholders have suffered significant and consistent losses under Green Dot's current management** - In the last five years, Green Dot's stock has underperformed its peer group and the small cap market by a cumulative 274% and 126%, respectively.[10] Green Dot's one-, two-, and five-year absolute returns are also deeply negative.

3) **Green Dot has consistently delivered weak financial results under CEO Steve Streit** - Green Dot has missed consensus estimates and/or lowered revenue guidance in each of the last eight quarters, while missing its annual revenue targets in three of the last four years. A side-by-side comparison with the Company's closest peer, NetSpend, reveals that Green Dot's challenges are company specific. Green Dot's EV/EBITDA multiple of 4.6x is more than a 50% discount to its peer group, reflecting inconsistent financial execution and investor distrust in management.

4) **A troubling history of poor execution and operational mismanagement under CEO Steve Streit makes an immediate CEO change necessary** - Mr. Streit's repeated failure to achieve both short- and long-term targets is a symptom of a deeper and more fundamental problem. He struggles with the basic tenants of running a larger company and lacks the ability to execute on his strategic vision. Green Dot has delivered an unrelenting stream of execution missteps in the last nine quarters. In our Presentation, we discuss the operational and financial forecasting ineptitude with regard to: MoneyPak's removal, the Tax Processing Group acquisition, in-house processing migration, Loopt and GoBank, Sallie Mae, and Green Dot Bank.

5) **Management's shareholder communications are inconsistent and misleading** - Mr. Streit displays a concerning inconsistency when discussing business metrics and financial drivers with the investment community. Examples discussed include: the changing narrative regarding a $5.6 million fee waiver benefit, the decision to withhold disclosing two material acquisitions that were included in the Company's initial 2015

guidance, and guidance on MoneyPak's removal that went from "not material" to nearly a 10% revenue headwind in six months.

6) **Senior leadership turnover is symptomatic of an unhealthy culture** - Since its IPO, all but one named executive officer alongside Mr. Streit has resigned. Additionally, Green Dot has had three CFOs in the last three years, with the most recent two executives possessing no prior public market experience. Glassdoor reviews suggest employees share the concerns of outside investors, as Mr. Streit has just a 32% approval rating.[11]

7) **A complacent and misaligned Board has displayed alarmingly poor executive compensation and corporate governance practices** - Green Dot's Board is dominated by four individuals with tenures exceeding 13 years. Independent directors own less than 3% of the outstanding shares, with ownership rates that are in decline.[12] In fact, it appears that Green Dot's corporate governance regime has been structured to entrench management, as well as the Board and their problematic, value-destructive status quo. Institutional Shareholder Services (ISS) gave Green Dot governance scores of "8" and "10" for 2015 and 2014, respectively, indicating severe governance concerns. In 2014, ISS cited serious problems with the Company's executive compensation program in recommending "AGAINST" Green Dot's Say-on-Pay proposal. In 2015, ISS recommended a "WITHHOLD" vote for Compensation Committee Chairman Ken Aldrich (also Green Dot's Lead Independent Director) and George Sheehan, citing an ongoing misalignment between executive compensation and Company performance. The Compensation Committee used three different compensation consultants in an eighteen-month window. The Compensation Committee adopted the recommendation for targeting the 50th percentile of compensation among the peer group for all executives except Mr. Streit, whose equity-based compensation inexplicably exceeded the peer group's 75th percentile. The Board enriched Mr. Streit with an RSU grant that represented 82% of all NEO RSU grants, while rationalizing Mr. Streit's outsized compensation as "appropriate in light of the fact that Mr. Streit had not been granted any equity awards since April 2011 and his only unvested stock option had an exercise price of $45.31 per share."[13] After garnering just a 67% approval vote for its 2014 Say-on-Pay proposal, the Board chose to maintain the same misaligned metrics, revenue and EBITDA, for incentive compensation.[14] As such, it is unsurprising that Green Dot has grown revenue and EBITDA by nearly 100% and 50%, respectively since coming public, but earnings per share are unchanged. The Board approved a $43 million related party transaction and exhibited oversight failures by allowing management to withhold information from shareholders on material acquisitions.[15]

8) **We have a plan for creating long-term shareholder value** - Green Dot has a visible path to double earnings per share over the next three years based on "self-help" initiatives focused on reasonable strategic and financial strategies. Below are some highlights from our plan, which are set forth in more detail in our Presentation.

- *Immediately Remove Mr. Streit as CEO and Install a Proven Leader*

  Mr. Streit has had ample opportunity to execute on his vision for Green Dot - his track record speaks for itself. For five years, Green Dot has consistently delivered poor execution, disappointing financial results, and a stock price that has significantly underperformed the broad market and its peer group on both a relative and absolute basis. We believe hiring a proven leader, who philosophically embraces employee collaboration, will re-energize the talented Green Dot organization, while also rebuilding credibility in the investment community.

- *Immediately Reconstitute the Board of Directors and Adopt Policies Targeting Shareholder Alignment*

  We believe Green Dot's Board is misaligned, entrenched, and lacks a shareholder-friendly mindset. The long-tenured duo of Mr. Aldrich and Mr. Greenleaf have repeatedly acted to unjustly enrich Mr. Streit, while simultaneously failing to hold him accountable for poor performance and misleading investor communications. As noted above, ISS shares our concerns with Green Dot's corporate governance regime. It is therefore unsurprising that ISS saw it fit to recommend a "WITHHOLD" vote on the election of Messrs. Aldrich and Sheehan, as Compensation Committee members, at the 2015 Annual Meeting of Shareholders citing an ongoing misalignment between executive compensation and Company performance.

- *Realign Green Dot's Strategic Initiatives to Balance Realistic Growth Targets with Profitability*

  Green Dot must forego its outdated goal of double-digit revenue growth, which has resulted in poorly structured acquisitions and wasteful spending. Instead, we believe Green Dot must implement realistic revenue growth targets such as active card and ARPU growth of 2.5% and 5.0%, respectively. The latter initiative can be supported by a more thoughtful approach to pricing, ancillary product initiatives and new markets, as well as a growing mix of direct deposit customers. By removing the pressure to stretch for unrealistic revenue targets, leadership can maniacally focus on cost reductions and operating leverage. The result will be a Company with double-digit organic EPS growth and significant cash flow to fund accretive acquisitions, strategic growth initiatives like secured credit, and methodical share repurchases.

➢ *Right-size the Cost Structure and Optimize the Capital Structure*

Since 2010, Green Dot's compensation & benefits, processing expenses, and G&A expenses have each grown at a faster rate than revenue. Based on conversations with third party cost structure consultants, Harvest believes Green Dot can eliminate at least $25 million of inefficient annual expenses through a standard realignment. Independent of a one-time restructuring, Green Dot must abandon its "instinctive" budgeting approach and adopt a strenuous, ROI-based discipline towards spending decisions. The goal should be an operating model that once again delivers processor-like EBITDA margins.

A reconstituted Board must also adopt a policy that compares future investments and acquisitions against the relative "cheapness" of the Company's own equity. In the last 18 months, Green Dot's outstanding shares have ballooned by nearly 20% as the Board indiscriminately issued cheap equity for three acquisitions. We believe Green Dot should target two turns of leverage,[16] which would have the twin benefits of tighter capital discipline and adding shareholder-friendly financial leverage. The Company should systematically return 50% of free cash flow to shareholders through programmatic buybacks until the target leverage ratio is achieved.

➢ *Unlock the Inherent Earnings Power of Green Dot Bank*

Green Dot Bank provides significant optionality and represents a source of immense trapped value for stakeholders. Under the stewardship of an experienced leadership team, we outline in our Presentation why the Bank could contribute at least $0.50 of incremental earnings per share as regulatory restrictions are lifted.

Should Green Dot prove incapable of implementing comprehensive strategies to enhance the Bank's returns, we believe alternatives for the Bank must be pursued immediately. Based on discussions with consumer oriented banks, Harvest believes that significant interest exists in Green Dot's banking operations, with at least one bank having already approached Green Dot about a partnership. We believe the Company's captive customer funnel and proprietary underwriting insights are a source of material "locked" shareholder value, while the ability of a strategic bank acquirer to optimize the capital trapped in the Bank, as well as the deposits, would create meaningful earnings synergies that Green Dot has failed to capture independently.

* * *

With the right leadership, alignment of interests, and governance structures in place, we are confident that Green Dot can deliver substantial value for all stakeholders. It is time for this Board to prove to its shareholders that it is committed to protecting and enhancing shareholder value. We hope that the Board will take the required steps we outline herein to drive shareholder value creation, starting with the removal of Mr. Streit. Harvest is willing to assist the Board with the implementation of our proposals.

We must, however, reserve our rights to take whatever actions may be required to protect the best interests of shareholders, and we will not be intimidated by senior management's scare tactics. Activities within our rights as shareholders may include a proxy contest at the 2016 Annual Meeting, which will act both as a referendum on the Board's many failures as fiduciaries and a platform for shareholders to unequivocally demonstrate their strong dissatisfaction with the lack of accountability at Green Dot and Mr. Streit's consistently poor performance. We hope this will ultimately prove unnecessary, and we stand ready to discuss the immediate implementation of our proposals with the Board.

Sincerely,

Jeffrey B. Osher Craig Baum

About Harvest Capital Strategies LLC
Harvest Capital Strategies LLC is an investment firm founded in 1999 based in *San Francisco*.

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[1] https://www.aba.com/Products/Endorsed/Documents/White%20Paper_May21.pdf
[2] Carol Lee Mitchell, Global Prepaid Product Manager at MasterCard Worldwide, in her presentation at Prepaid Boot Camp ISIC – Miami Conference, (5/22/12)
[3] https://labor.ny.gov/app/warn/details.asp?id=5366[labor.ny.gov]
[4] http://www.bloomberg.com/news/articles/2016-01-20/amex-chief-dismantles-his-laboratory-for-serving-not-so-wealthy
[5] See Harvest Presentation: www.FIXGDOT.com
[6] Green Dot 2014 Form 10-K and Form 8-K (12/2/15)
[7] We are using approximately $150 million of consolidated net cash, inclusive of the bank holding company
[8] Measured from the closing price on 7/22/10
[9] We assume a 15x multiple on our conservative base case of $2.56 EPS plus net cash per share. The earnings bridge is provided in the Presentation. The 2018 EPS figure could be materially higher based on initiatives discussed in the Presentation, but not included in the 2018 base case.
[10] We are comparing green Dot's 71% share decline to the 203% return of its original peer group in the proxy and the 55% return of the Russell 2000
[11] https://www.glassdoor.com/Reviews/Green-Dot-Reviews-E232242.htm
[12] Green Dot Definitive Proxy, (4/30/15)
[13] Green Dot Definitive Proxy, (5/16/14)
[14] Ibid.
[15] We discuss the Loopt transaction and the AccountNow / Achieve Card acquisitions in detail in our Presentation and unabridged letter
[16] Defined as Net Debt:EBITDA