

from September 30, 2014, to September 30, 2015, primarily reflecting additions to our customer support, risk operations, legal, compliance, and finance teams. The balance of the increase was primarily due to increased third-party legal, finance, consulting, and certain software license expenses. For the nine months ended September 30, 2015, general and administrative expenses included \$11.7 million of share-based compensation expense, a \$6.5 million increase compared to the nine months ended September 30, 2014.

### **Transaction and Advance Losses**

The following table sets forth our transaction and advance losses for the periods shown:

	<b>Nine Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2014</b>	<b>2015</b>		
	<b>(in thousands) (unaudited)</b>			
Transaction and advance losses	\$ 17,826	\$ 40,840	\$23,014	129%

Transaction and advance losses for the nine months ended September 30, 2015, increased by \$23.0 million compared to the nine months ended September 30, 2014. We realized a net charge of approximately \$5.7 million related to a fraud loss from a single seller first recognized in March 2015, and recorded a separate increase in our transaction loss provision of \$4.1 million in September 2015 to reflect updates to our risk model. The remaining increase in expense is due to growth in GPV for the nine months ended September 30, 2015, relative to the nine months ended September 30, 2014.

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#### **Amortization of Acquired Customer Assets**

The following table sets forth our amortization of acquired customer assets for the periods shown:

	<b>Nine Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2014</b>	<b>2015</b>		
	<b>(in thousands) (unaudited)</b>			
Amortization of acquired customer assets	\$591	\$1,373	\$ 782	132%

Amortization of acquired customer assets for the nine months ended September 30, 2015, increased by \$0.8 million compared to the nine months ended September 30, 2014, primarily as a result of the amortization of customer assets from the acquisitions of Caviar in August 2014 and FastBite in February 2015.

#### **Interest and Other Income and Expense**

The following table sets forth our interest and other income and expense for the periods shown:

	<b>Nine Months Ended September 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2014</b>	<b>2015</b>		
	<b>(in thousands) (unaudited)</b>			
Interest (income) and expense	\$ 615	\$ 995	\$ 380	62%
Other (income) and expense	737	1,390	653	89%

Interest income and expense for the nine months ended September 30, 2015, increased by \$0.4 million compared to the nine months ended September 30, 2014, driven primarily by the interest expense related to the draw on our revolving credit facility in June 2014, which was repaid in July 2015. As of September 30, 2015, no amounts were outstanding under our revolving credit facility.