

PAYPAL HOLDINGS, INC. 2018 ANNUAL MEETING OF STOCKHOLDERS Q&A

May 23, 2018

All appropriate questions received, both prior to and during the PayPal Holdings, Inc. (“PayPal”) 2018 Annual Meeting of Stockholders (the “Meeting”), are presented as submitted, uncensored and unedited. PayPal expressly disclaims any obligation to update its responses.

If you have any questions or concerns, please feel free to contact Investor Relations at <https://investor.paypal-corp.com/contactus.cfm>.

QUESTION #1

The Stock has done very well how about a stock split to reward shareholders ?

ANSWER (DAN SCHULMAN AT THE MEETING):

We currently don't have a plan for a stock split. At this time, we do not believe that a stock split would enhance shareholder value.

QUESTION #2

With the tech giants impending foray into financial services offerings and although PayPal is currently offering aspects of traditional banks and credit unions. Is PayPal considering acquiring financial institutions in order to combat this and expand user/business products?

If not, how would PayPal respond to one of these companies delving deeper into financial services?

ANSWER (DAN SCHULMAN AT THE MEETING):

As an independent company, we made the decision to embrace partnerships as a core strategy and they were a key driver of our success in 2017. In fact, over the past 18 months we signed more than 20 strategic partnerships and we're now working with banks, networks and issuers all over the world, including, by the way, some of the largest tech companies like Google, Alibaba, Facebook and Microsoft. By combining the best of our assets with the best of their assets, I think we can provide a best-in-class experience for our mutual customers that none of us could do alone.

So, these deals have helped us take significant steps towards achieving our mission, and we believe that they're fundamental to driving long-term, sustainable business growth; they push our platform into new geographies, new verticals and new audiences; and, as a result, we can offer that same benefit to our partners by making their services more readily available to our 237 million active accounts around the globe.

QUESTION #3

Why can't I pay my Federal or State TAXES with funds from Paypal? It seems that you are missing a huge business opportunity.

ANSWER (DAN SCHULMAN AT THE MEETING):

So, PayPal is always looking to identify ways for customers to quickly and seamlessly make payments to move money. You can now pay your federal income taxes with PayPal in the United States, Italy, Australia and Canada. You can also pay for local property taxes, court fines, transit fees, child support obligations and many other government transactions in a growing number of jurisdictions across the U.S. and globally.

QUESTION #4

Is any change to the company's dividend policy being considered? thank you

ANSWER (DAN SCHULMAN AT THE MEETING):

So, our capital allocation priorities have not changed. We continue to focus on organic investments within the business, on M&A and returning capital to shareholders through stock buybacks. At this time, we do not anticipate any changes as it relates to our capital allocation priorities.

QUESTION #5

Will the elected Directors sell off the horrible, losing, and corrupted platform, VENMO? VENMO is a huge liability. VENMO is being used excessively for FRAUDULENT activities by financial criminals and UNDERMINES PAYPAL's credibility and reputation for secure transactions. I WANT PAYPAL TO GET RID OF VENMO!!!

ANSWER (DAN SCHULMAN AT THE MEETING):

I don't really agree with all of those underlying sentiments there, because I believe that Venmo is a real strength for PayPal. It processed more than \$40 billion in the past 12 months, growing substantially. Our users are highly engaged. They open the app multiple times a week, and they're increasingly telling us that they want to use Venmo in more ways.

So, we're going to continue to add incremental services that enable Venmo in more places and contexts. Last year, we announced the expansion of Venmo's capability by allowing users to shop at millions of merchants that accept PayPal, and we're also excited about Pay with Venmo, which will allow us to connect these engaged customers to PayPal merchants. And, you'll note that we're following the same playbook with Venmo as we did with PayPal. Both were originally established as peer-to-peer payments platforms and then they expanded into merchant services and adding incremental services like Pay with Venmo, and connecting our Venmo users with PayPal merchants is a key value proposition that I believe will help Venmo to continue its strong growth.

QUESTION #6

What is PayPal's strategy to regain a competitive advantage over Venmo? What will PayPal do to regain lost ground?

ANSWER (DAN SCHULMAN AT THE MEETING):

So, this is a common question that I get, and just for clarification for everybody, Venmo is a part of PayPal and together, we are a very strong combination, and we bring options to our P2P customers, our peer-to-peer customers, on how they make payments.

While competition is intensifying, we feel very good about our P2P assets and the unique value that they offer our customers. Keep in mind that this competition isn't new. Banks have been offering P2P payment options for more than a decade now, and in fact, P2P mobile payments volume is expected to grow into a more than \$300 billion market by 2021. As a result, we're confident there's plenty of market share to go around. The transition to more mobile P2P payments won't be a winner take all phenomenon, and we expect there'll be many winners in this market.

Venmo, in fact, benefits from significant loyalty and massive brand recognition within the segment of the market that it's targeted at, and the social media component of Venmo remains a true competitive differentiator. We're a clear leader in this market. We believe that Venmo and PayPal will continue to drive strong consumer adoption of mobile P2P payments.

QUESTION #7

Can you elaborate on how Paypal will respond to competitive offerings like Apple Pay; which Apple is promoting almost as a mandatory feature with an incessant reminder on their devices?

ANSWER (DAN SCHULMAN AT THE MEETING):

So, PayPal has thrived in one of the world's most intensely competitive industries for 20 years, and we have a very successful track record of collaborating across the retail and financial services ecosystem with the goal of making payments safe, simple, better and more inclusive for everyone.

Now that we're a standalone company, there are increased possibilities for competitors to become partners. As we've seen in the last two years, we've taken these 20 successful partnerships across financial and technology industries, including with companies that people once thought would be competitors to PayPal, and turned those into partnership. And those include companies like Google, Samsung, Apple, and their digital payment offerings. We see tremendous opportunity for growth in a \$25 trillion global retail market, and the digital wallet is at the core of our strategy. And that's really just beginning.

QUESTION #8

There seems to be quite a large board of directors. Is it typical that every director shows up to each meeting?

ANSWER (DAN SCHULMAN AT THE MEETING):

So, we are very fortunate that PayPal has a world-class board of directors, who individually and collectively bring extraordinarily valuable insight, expertise, and perspective. We have 11 directors on our board, and I feel like that's a very good, workable size. Our directors regularly attend board meetings and the meetings of the committees on which they serve.

It's also important to me, and to PayPal, that we have a diverse board. I'm proud that we've added two outstanding women directors (Belinda and Ann), as well as an African American director (Rod) and now, 45 percent of our board is comprised of women and underrepresented ethnic groups. This is an important step, and it sets the pace for our entire organization and all of our DNA initiatives.

QUESTION #9

I find varying definitions of the role of a board of directors, but they tend to include balancing stockholder representation and good business management. Particularly then in these times of corporate corruption, public suspicion, and increasing government leniency, with all due respect, why does this board pointedly appear to recommend against all stockholder proposals, the adoption of which might appear to set the company as an example of dazzlingly transparent and progressive in the sense of moving ahead, action-supported vision? A candid concise documented non-bureaucratic response to shareholders would be appreciated.

ANSWER (BRIAN YAMASAKI AT THE MEETING):

We give careful consideration to each stockholder proposal that we receive because they're focused on the issues that are top of mind for our stockholders. We review proposals on a case-by-case basis and assess whether they are in the best interests of the Company and its stockholders. As part of that assessment, we consider the policies and practices that we have in place, market practices, and potential changes that may be appropriate to address particular concerns raised by our stockholders.

With respect to the three stockholder proposals that were presented at this meeting, we carefully considered each of them. For the reasons that we stated in our proxy statement, we do not believe they are in the best interest of the Company and the stockholders.

QUESTION #10

What further steps are we taking to remedy Tio?

ANSWER (DAN SCHULMAN AT THE MEETING):

So, we made a decision to wind down the operations of Tio in March of 2018.

QUESTION #11

Following our 2016 letter, representing a group of socially responsible investors with long-term holdings in PayPal, who invest a total of over \$15 billion, and following our question in the 2017 meeting of stockholders, our concerns are growing with regard to PayPal's discriminatory operational practices in Israel and Palestine. PayPal provides services to Israeli settlers in the occupied Palestinian territories counter to international law. At the same time, Palestinian residents in the same areas do not have access to PayPal merchant services. This disparity translates into a discriminatory practice and represents a growing risk to the company's reputation and social license in the region. Since our meeting last year, two additional groups have joined the international campaign against PayPal because of this issue, and the largest Palestine solidarity group in Australia called for a boycott of the company. At last year's meeting, Mr. Schulman assured us that PayPal is taking this matter seriously and is "in an ongoing dialogue with advocates and key stakeholders" in an effort to resolve this issue. What has the company done about this since last year's meeting? How many stakeholders has PayPal engaged, and how many of them are Palestinian? What concrete steps have been made to remedy PayPal's discriminatory practice? When does PayPal expect to offer equal services to Palestinians and Israelis?

ANSWER (DAN SCHULMAN AT THE MEETING):

So, PayPal's ambition is for everyone to have access to our services for digital payments and commerce, in accordance with applicable regulatory requirements.

And we very much appreciate the outreach and the interest that certain Jewish, Palestinian and other advocacy groups have shown in working to bring PayPal services to Palestine.

We've had dialogue with these organizations because, although we are not currently providing services in the Palestinian territories, we hope ultimately to be able to address the risk, compliance, regulatory and resource allocation issues to properly serve customers in this region and other markets where PayPal is not yet present.

While we do not have anything to announce for the immediate future, we continuously work to develop strategic partnerships, address business feasibility, regulatory, and compliance needs and requirements, and acquire the necessary local authority permissions for new market entries.

QUESTION #12

Can shareholders ask questions about items to be voted on before the voting is closed?

ANSWER:

Our stockholders had the ability to ask questions both prior to and during the meeting. The Q&A session was held after the formal portion of the meeting ended.

Forward Looking Statements

These materials may contain forward-looking statements relating to, among other things, the future results of operations, financial condition, expectations and plans of PayPal Holdings, Inc. and its consolidated subsidiaries that reflect PayPal's current projections and forecasts. Forward-looking statements can be identified by words such as "may," "will," "would," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "plan," "project," "forecast" and other similar expressions. Forward-looking statements could include, but are not limited to, statements regarding PayPal's projected financial and operational results, capital allocation, and projected future growth of PayPal's businesses. Forward-looking statements are based upon various estimates and assumptions, as well as information known to PayPal as of the date of these materials, and are inherently subject to numerous risks and uncertainties.

Our actual results could differ materially from those predicted or implied by forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to: changes in political, business, economic, market and trade conditions, including any regional or general economic downturn or crisis and any conditions that affect payments or e-commerce growth; fluctuations in foreign currency exchange rates; the competitive, regulatory, payment card association-related and other risks specific to the PayPal, PayPal Credit, Braintree, Venmo, Xoom and other products, especially as PayPal continues to expand geographically and introduce new products and as new laws and regulations related to payments and financial services come into effect; the impact of PayPal's customer choice initiatives, including on its funding mix and transaction expense; PayPal's ability to successfully compete in an increasingly competitive environment for its businesses, products and services, including competition for consumers and merchants and the increasing importance of mobile payments and mobile commerce; the outcome of legal and regulatory proceedings and PayPal's need and ability to manage regulatory, tax and litigation risks as its products and services are offered in more jurisdictions and applicable laws become more restrictive; changes to PayPal's capital allocation or management of operating cash; uncertainty surrounding the implementation and impact of the United Kingdom's formal notification of its intent to withdraw from the European Union; cyberattacks and security vulnerabilities in PayPal products and services that could disrupt business, reduce revenue, increase costs, harm us competitively, or lead to liability; the effect of management changes and business initiatives; any changes PayPal may make to its product offerings; the effect of any natural disasters or other business interruptions on PayPal or PayPal's customers; PayPal's ability to timely upgrade and develop its technology systems, infrastructure and customer service capabilities at reasonable cost; PayPal's ability to maintain the stability, security and performance of its Payment Platform while adding new products and features in a timely fashion; the risk that the planned transaction with Synchrony Financial will not be completed or that we may not realize the expected benefits of the transaction; the timing and possible outcome of security holder and regulatory approvals in connection with the iZettle transaction and the possibility that the transaction may not close; risks that planned acquisitions will not be completed on contemplated terms, or at all, and that any businesses PayPal may acquire will not perform in accordance with its expectations; and PayPal's ability to profitably integrate, manage and grow businesses that have been acquired or may be acquired in the future. The forward-looking statements in this release do not include the potential impact of any acquisitions or divestitures that may be announced and/or completed after the date hereof.

More information about factors that could adversely affect PayPal's results of operations, financial condition and prospects or that could cause actual results to differ from those expressed or implied in forward-looking statements is included under the captions "Risk Factors" and "Management's

Discussion and Analysis of Financial Condition and Results of Operations” in PayPal’s most recent annual report on Form 10-K and its subsequent quarterly reports on Form 10-Q, copies of which may be obtained by visiting PayPal’s Investor Relations website at <https://investor.paypal-corp.com> or the SEC’s website at www.sec.gov. All information in these materials is as of May 23, 2018. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in these materials. PayPal assumes no obligation to update such forward-looking statements.