PayPal Q4-19 Investor Update

January 29, 2020

Non-GAAP Financial Measures; Forward-Looking Statements

This presentation contains non-GAAP measures relating to our performance. In addition, we have included certain pro forma adjustments in our presentation of year-over-year growth rates associated with non-GAAP operating expenses, non-GAAP earnings per diluted share, and non-GAAP operating margin. We have chosen to present non-GAAP pro forma measures because we believe that these measures provide investors a consistent basis for assessing our performance, and help to facilitate comparisons of our operating results, across different periods. These pro forma adjustments reflect items that are factually supportable, directly attributable to the separation of the company from eBay Inc. on July 17, 2015, as well as the reclassification of the U.S. consumer credit receivable portfolio as held for sale from November 2017, and expected to have a continuing impact on the company's results of operations. These measures may be different from non-GAAP financial measures used by other companies. The presentation of this financial information, which is not prepared under any comprehensive set of accounting rules or principles, is not intended to be considered in isolation of, or as a substitute for, the financial information prepared and presented in accordance with generally accepted accounting principles. You can find the reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in the Supplemental Information at the end of this presentation.

All growth rates represent year-over-year comparisons, except as otherwise noted. FX-Neutral (which we also refer to as FXN or currency neutral) results are calculated by translating the current period's local currency results by the prior period's exchange rate. FX-Neutral growth rates are calculated by comparing the current period's FX-Neutral results with the prior period's results, excluding the impact of currency hedging.

As previously disclosed, beginning with the first quarter of 2019, we have reclassified certain operating expenses within our consolidated statements of income. Prior period amounts have been reclassified to conform with this presentation. For additional details, please see our Current Report on Form 8-K filed with the Securities and Exchange Commission on April 9, 2019.

This presentation contains 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," "strategy," "future," "opportunity," "plan," "project," "forecast" and other similar expressions. Forward-looking statements include, but are not limited to, statements regarding our guidance and projected financial results for first quarter and full year 2020, the impact and timing of acquisitions and the 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 this presentation, 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 our Payments Platform, including our PayPal, PayPal Credit, Braintree, Venmo, Xoom, iZettle, and other products, especially as PayPal continues to expand geographically, introduce new products and support across technologies and payment methods 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 digital and 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 our competitive position or our reputation, or lead to liability; the effect of management changes and business initiatives; any changes PayPal may make to its product and service 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 Payments Platform while adding new products and features in a timely fashion; 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 presentation do not include the potential impact of any acquisitions or divestitures that may be announced and/or contemplated 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 this presentation is as of January 29, 2020. For the reasons discussed above, you should not place undue reliance on the forward-looking statements in this presentation. PayPal assumes no obligation to update such forward-looking statements.

2019 Strategic and Operational Highlights

- Surpassed 300 million active accounts in 2019… 37.3 million NNAs, ending the year with 305 million active accounts
- 10% engagement growth to 40.6 payment transactions per active account
- 2019 TPV growth of 25% with 29% growth in Merchant Services volume on an FX-neutral basis
- Venmo delivered >$102 billion of TPV in 2019… ended the year with >52 million active accounts
- ~160 bps of non-GAAP operating margin expansion in 2019
- 28% non-GAAP EPS growth in 2019; 25% EPS growth, adjusting for the net unrealized gain on strategic investments of $0.14 per share
- $3.9 billion of free cash flow (FCF) generated in 2019; $0.22 of FCF for every $1 of revenue
- Announced $4.1 billion of acquisitions with Honey and GoPay (70% equity interest)
- Returned $1.4 billion in capital to stockholders through share repurchases
- Raised $5 billion in fixed rate senior notes, accessing the debt capital markets for the first time
- Processed record $10 billion in charitable donations in 2019, including >$1 billion in the month of December

Full Year 2019 Summary

Double-digit customer and engagement growth driving strong results

Revenue

$17.77B

- **15%** spot and FX-neutral y/y growth
- 19% FX-neutral y/y growth, adjusting for the sale of receivables in 2018

Non-GAAP EPS(1)

$3.10

- **28%** increase y/y, including $0.14 benefit from PayPal's strategic investments
- **25%**,increase y/y and non-GAAP EPS of $2.96 adjusting for gains from strategic investments

Free Cash Flow (1)

$3.86B

- **22%** increase y/y*; **22%** as % of revenue

Active Accounts

305M

Includes 24M active merchant accounts

- **14%** increase y/y

37.3M

Net new actives added in the year

Customer Engagement

40.6

Payment transactions per active account

- **10%** increase y/y

Total Payment Volume

$712B

- **23%** spot and **25%** FX-neutral y/y growth

* Adjusted for the sale of receivables to Synchrony. In 2018, cash flow from operations benefitted by $1.51 billion due to the held for sale presentation related to the sale of our U.S. consumer credit portfolio to Synchrony.

(1) Non-GAAP earnings per share and free cash flow are Non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.

Fourth Quarter 2019 Summary

Revenue

$4.96B

17% spot and **18%** FX-neutral y/y growth

Non-GAAP EPS(1)

$0.86

24% increase y/y, including $0.02 benefit from PayPal's strategic investments

28% increase y/y, and non-GAAP EPS of $0.84 including $0.02 gain from PayPal's strategic investments

Free Cash Flow (1)

$1.09B

20% increase y/y;
22% as % of revenue

Active Accounts

305M

Includes 24M active merchant accounts

14% increase y/y

9.3M

Net new actives added in the quarter

Customer Engagement

40.6

Payment transactions per active account

10% increase y/y

Total Payment Volume

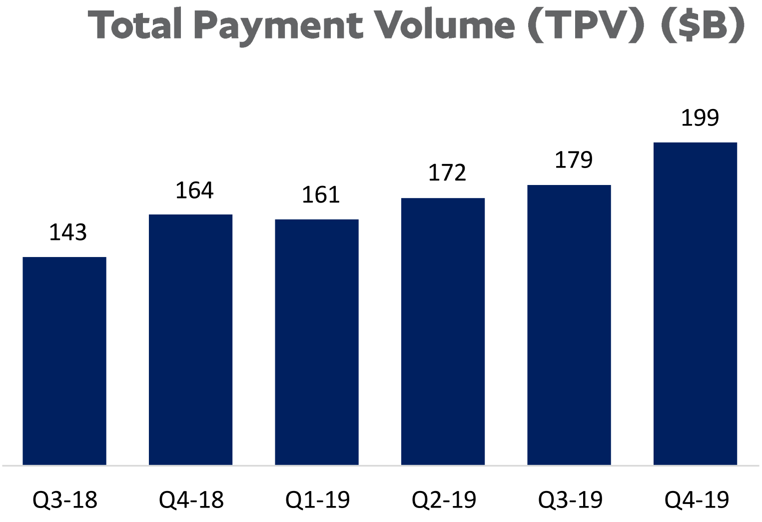
$199B

22% spot and FX-neutral y/y growth

(1) Non-GAAP earnings per share and free cash flow are Non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.

Operational and Financial Updates

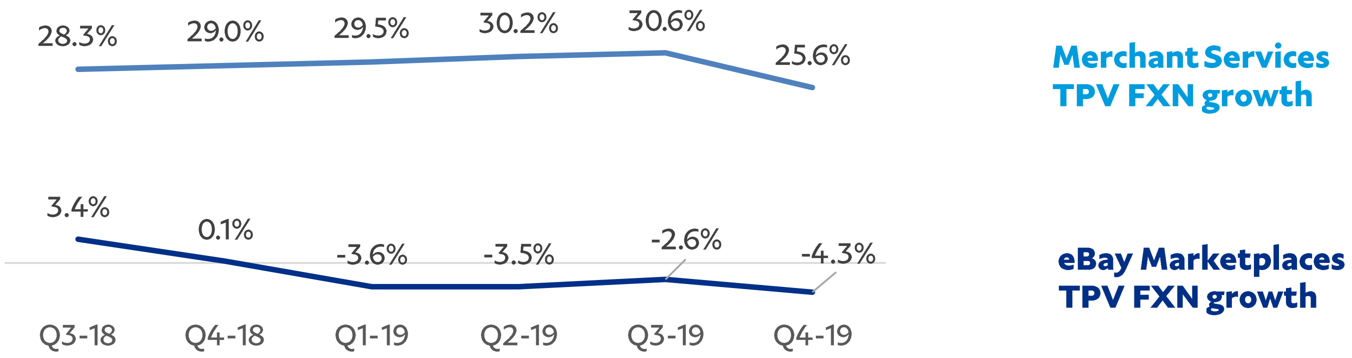
Total Payment Volume (TPV)



FXN Y/Y Growth	25%	25%	25%	26%	27%	22%

- TPV grew 22% on a spot and FX-Neutral basis in Q4-19. TPV growth was driven by core PayPal, Venmo and Braintree. Deceleration on a y/y and sequential basis was driven by lapping of 2018 acquisitions (iZettle and Hyperwallet)
- P2P volume, including core PayPal, Venmo and Xoom, increased 35% in the quarter to >$53B and represented 27% of TPV
- Venmo volume increased 56% to >$29B in the quarter; in 2019, Venmo processed >$102B in volume
- Mobile volume increased to ~$88B, up ~32%, and represented ~44% of TPV

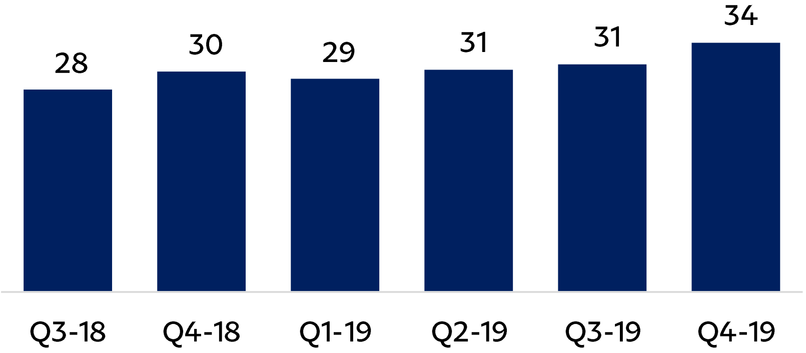
TPV: Merchant Services



- Merchant Services (non-eBay marketplaces related) volume represented 92% of TPV in Q4-19
- 26% growth in Merchant Services volume driven by core PayPal, Venmo and Braintree. The lapping of 2018 acquisitions impacted the growth rates on a y/y and sequential basis

TPV: Cross-Border Trade (CBT)

Cross-Border Trade TPV[1] ($B)

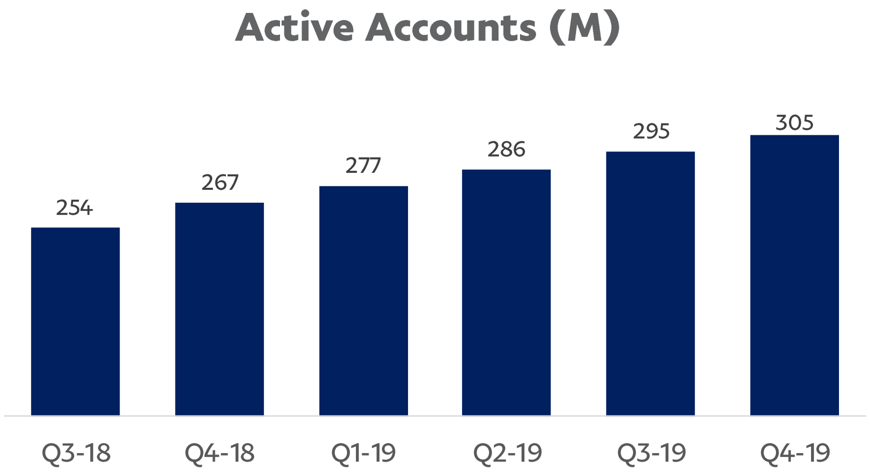


	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
FXN Y/Y Growth	18%	14%	11%	14%	16%	14%
Y/Y Growth	17%	11%	7%	11%	13%	13%
Share of Total TPV	19%	18%	18%	18%	17%	17%

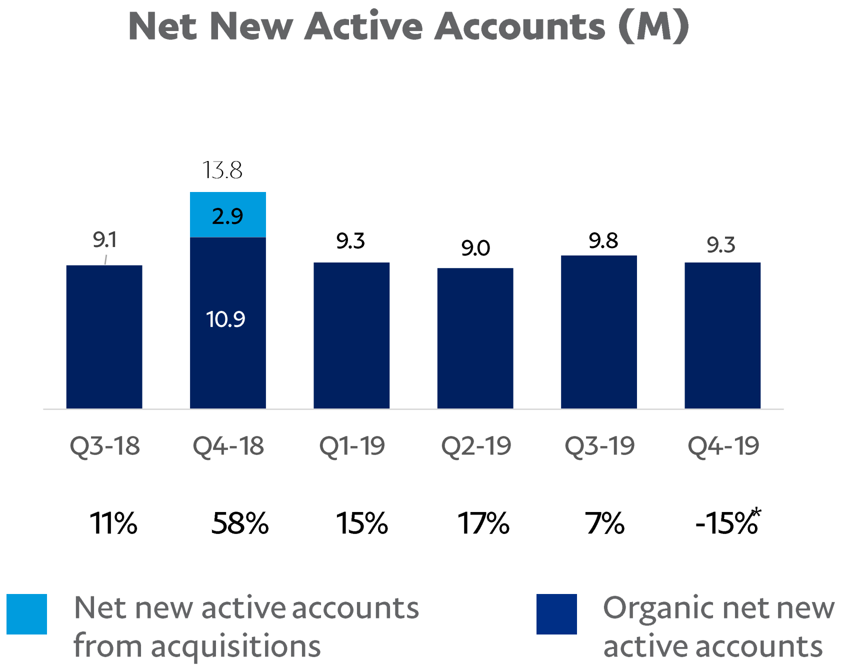
- CBT TPV was >$34 billion in Q4-19, up 14% on an FX-neutral basis. The strengthening U.S. dollar and a decline in eBay Marketplaces volume contributed to growth consistent with last year
- CBT TPV represented 17% of TPV in Q4-19 vs. 18% in Q4-18 primarily due to stronger growth in Braintree and Venmo. Braintree's presence today is predominantly in the U.S. and Venmo is a U.S. only service

(1) In a typical purchase transaction, cross border TPV is counted in the region where the merchant is located. For example, in the case of a U.S. seller and a Germany buyer, the TPV is counted in the U.S.

Active Accounts



Y/Y Growth	15%	17%	17%	17%	16%	14%

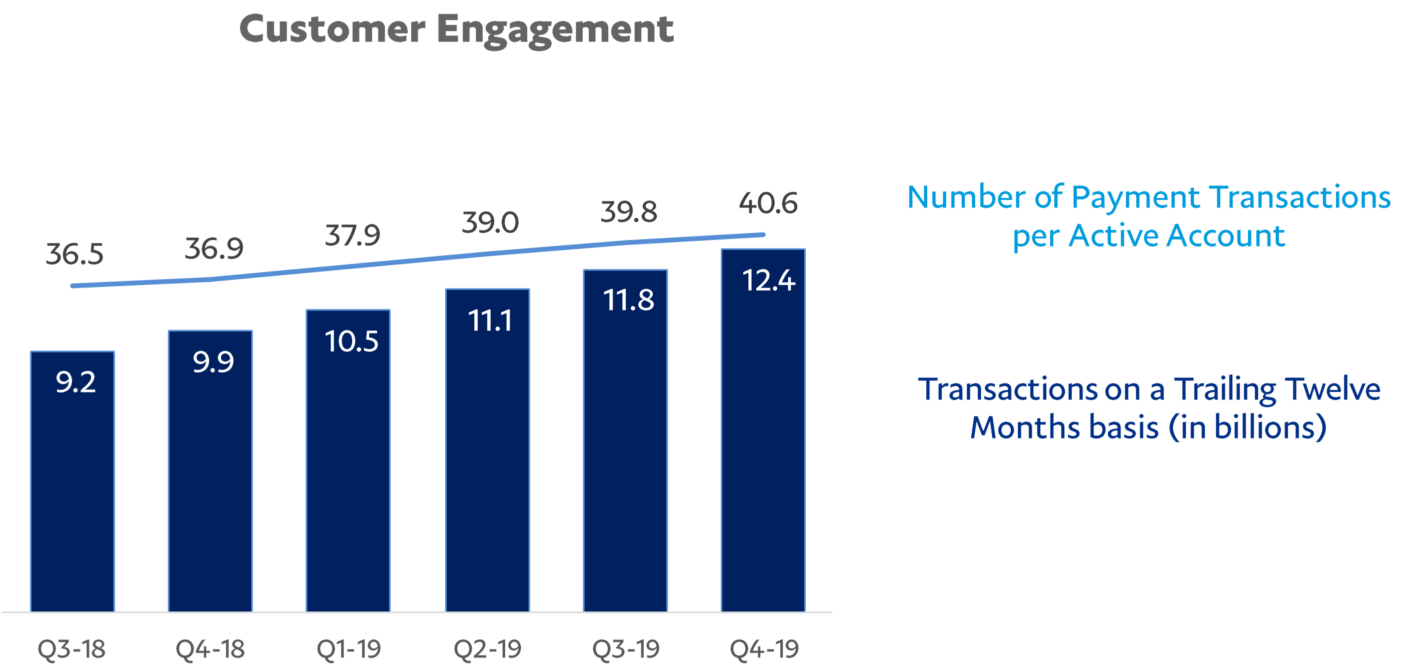


11%	58%	15%	17%	7%	-15%*

*Excluding acquisition impact of 2.9M NNA's in Q4-18

- Ended 2019 with 305 million active accounts, up 14%, including 24 million active merchant accounts
- Added 9.3 million net new active accounts in the quarter, driven by core PayPal and Venmo

Customer Engagement

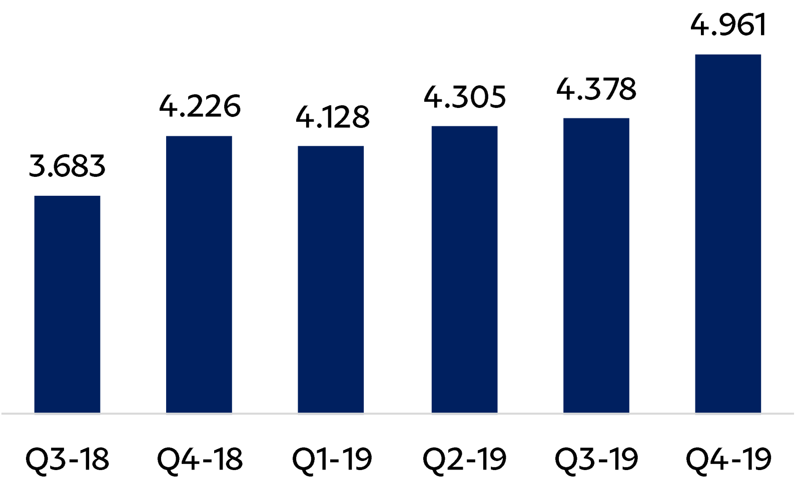


Customer Engagement Y/Y Growth	9%	9%	9%	9%	9%	10%

- Processed ~3.5 billion payment transactions during Q4-19, up 21%
- Payment transactions per active account increased 10% to 40.6

Revenue

Total Revenue ($B)



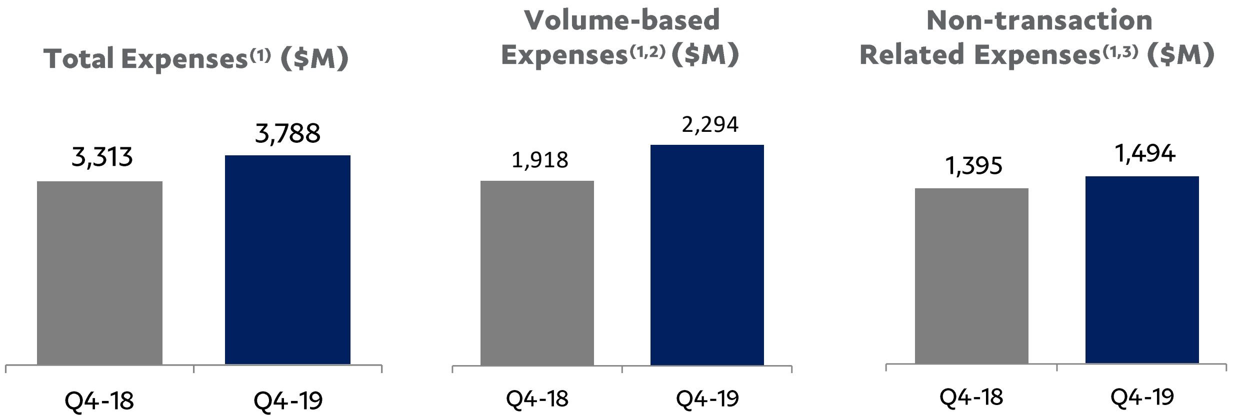
	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Spot Y/Y Growth	14%	14%	12%	12%	19%	17%
FXN Y/Y Growth	14%	14%	12%	12%	19%	18%
Adjusted FXN Y/Y Growth*	21%	21%	19%	19%	19%	18%

*Includes 7 pts of negative impact from the receivables sale to Synchrony.

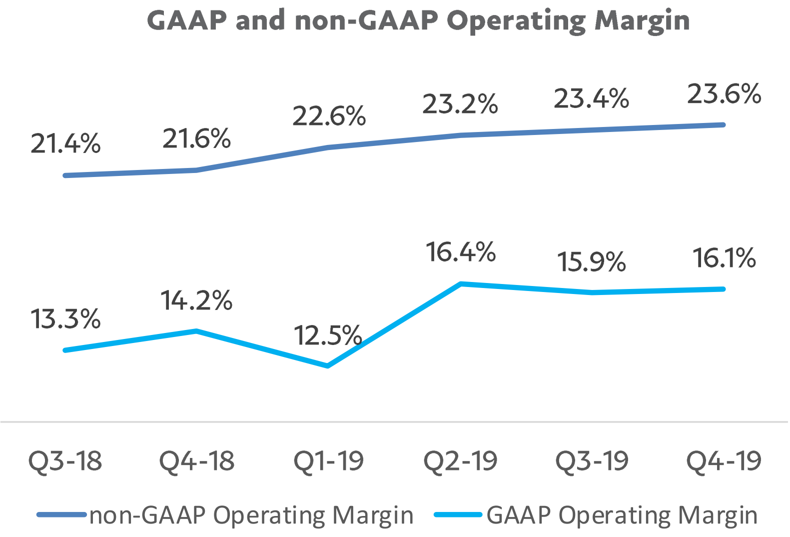
- Total Revenue growth of 18% on an FX-neutral basis
- Transaction Revenue grew 18% on an FX-neutral basis driven primarily by core PayPal, Braintree and Venmo
- Other Value Added Services (OVAS) Revenue grew 14% on an FX-neutral basis
- Hedging gains, which are recognized in international transaction revenue, were $58 million in Q4-19 versus $39 million in Q4-18
- Exiting Q4, at rates as of December 31, 2019, we estimate that our current hedge positions would result in the recognition of ~$20 million in international transaction revenue in 2020

Delivering Operating Leverage

204 basis points of non-GAAP operating margin expansion in Q4-19, record since separation



	Total Expenses Q4-18	Total Expenses Q4-19	Volume-based Q4-18	Volume-based Q4-19	Non-transaction Q4-18	Non-transaction Q4-19
Y/Y Growth	14.3%	14.3%	20.7%	19.6%	6.6%	7.1%
% of Revenue	78.4%	76.4%	45.4%	46.2%	33.0%	30.1%

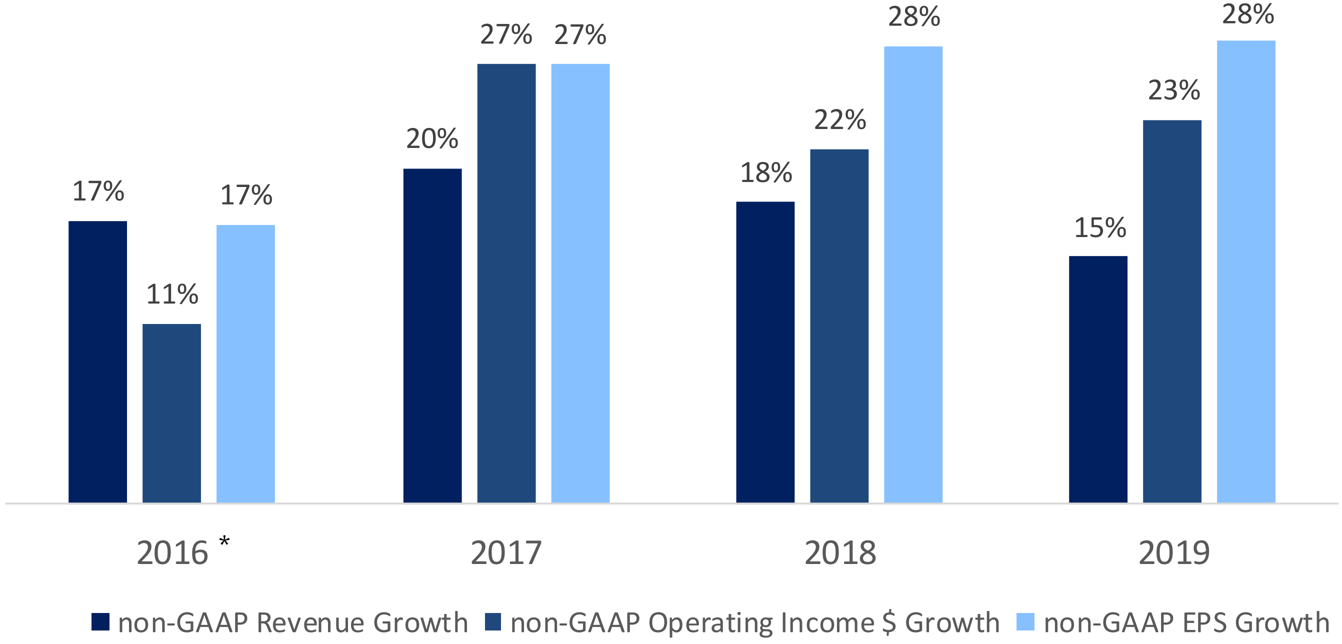


- Volume-based expenses grew 20%
- Operating leverage driven by expense discipline and improved transaction loss performance:
  - Non-transaction related expenses grew 7% and delivered ~290 basis points of leverage
- For the quarter, non-transaction related expenses increased only 13 cents for every dollar of revenue

(1) Expenses are presented on a non-GAAP basis. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.
(2) Volume based expenses include transaction expense and transaction and loan losses.
(3) Non-transaction related expenses include customer support and operations, sales and marketing, technology and development, general and administrative and restructuring and other charges.

Consistently Delivering Results

Strong compound annual growth rates since separation



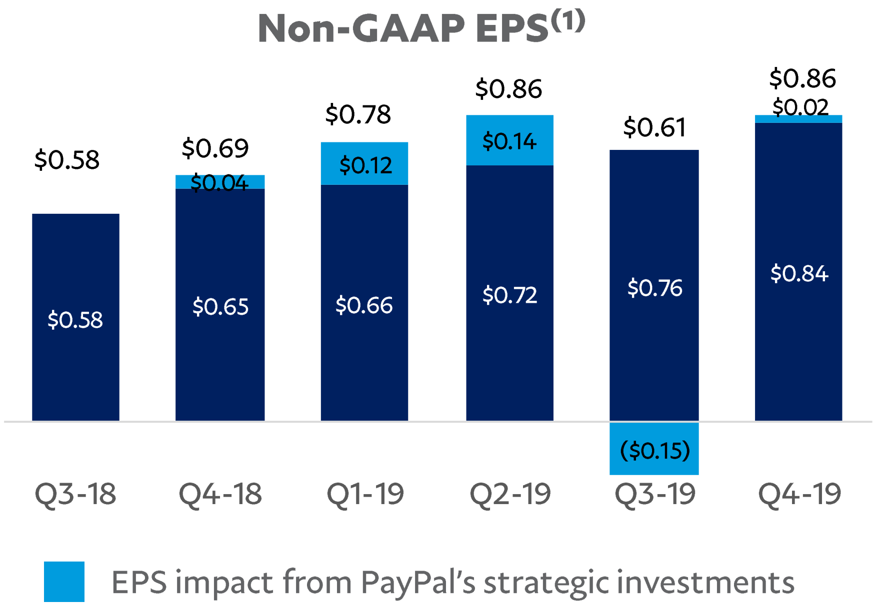
- FY’16 – FY’19 non-GAAP revenue CAGR: +18%
  - Merchant Services revenue CAGR: ~22%
  - eBay Marketplaces revenue CAGR: ~2%
- FY’16 – FY’19 non-GAAP operating income $ CAGR: 24%
- FY’16 – FY’19 non-GAAP EPS CAGR: 27%

*Growth rates for 2016 are based on non-GAAP proforma financial measures

(1) Non-GAAP revenue, non-GAAP operating Income and non-GAAP EPS are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measure to the most directly comparable GAAP financial measures.

Non-GAAP EPS

28% growth in Q4-19 excluding net unrealized gain on strategic investments



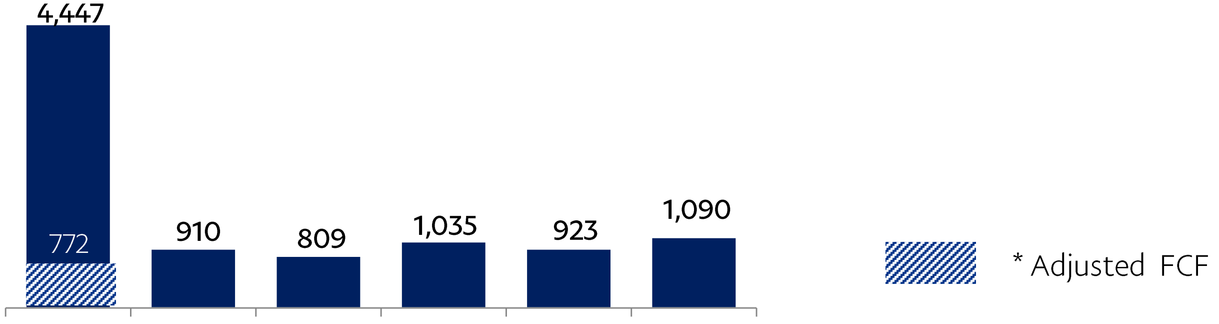
- Other Income & Expense (OI&E) for the quarter was $55M, primarily driven by ~$38M of net unrealized gain* on strategic investments.
- Non-GAAP effective tax rate[1] for Q4-19 was 17.2%
- Non-GAAP EPS of $0.86 in Q4-19, up 24%, which included a $0.02 benefit from PayPal's strategic investments. Excluding this benefit, non-GAAP EPS of $0.84, up 28%

*Beginning in 2018, based on FASB accounting guidance, unrealized gains/losses due to observable price changes on strategic investments are recognized within the Other Income & Expense line in the income statement.
[1] Non-GAAP EPS and non-GAAP effective tax rate are non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these non-GAAP financial measure to the most directly comparable GAAP financial measures.

Free Cash Flow

20% growth in FCF in Q4-19

Free Cash Flow(1) ($M)



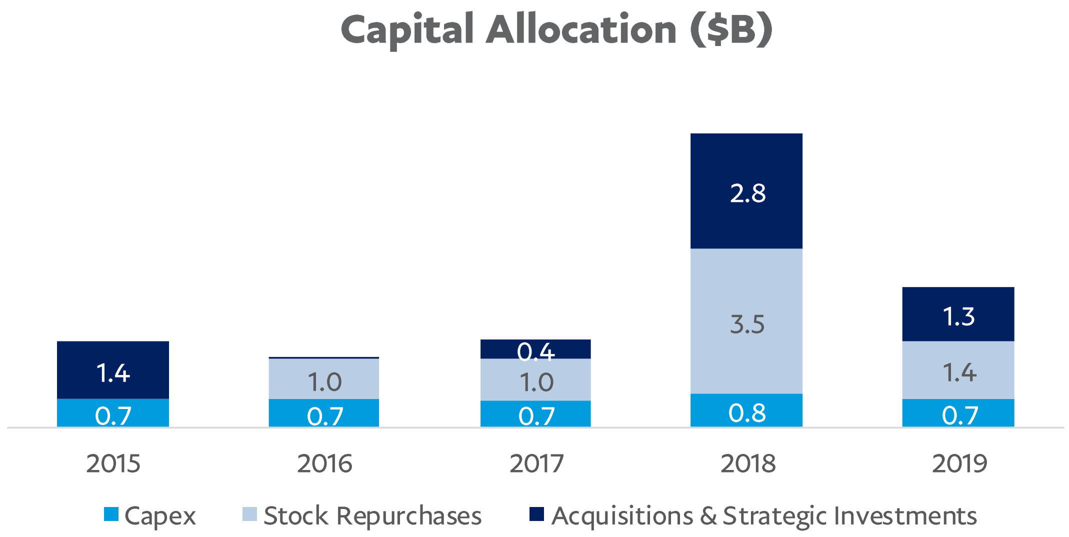
	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
FCF % of Revenue	21% *	22%	20%	24%	21%	22%
CAPEX % of Revenue	6%	5%	5%	3%	4%	4%

- Free Cash Flow (FCF) of ~$1.1 billion in Q4-19; 20% growth year over year
- FY'19 FCF of $3.9 billion; 22% of revenue
- Q4-19 capex spend of $174 million; 4% of revenue
- Cash, cash equivalents, short-term and long-term investments of $13.6 billion
  - Cash and cash equivalents of $7.3 billion, short-term investments of $3.4 billion and long-term investments of $2.9 billion
  - ~54% of total cash, cash equivalents, short-term investments and long-term investments held internationally

PayPal

* Normalized for the impact of held for sale accounting of U.S. Consumer credit receivables portfolio.
(1) Free cash flow is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Capital Allocation



- Generated ~$14 billion in FCF(1) since separation in July 2015, including ~$3.9 billion in 2019
- In Q4-19, returned $305 million in capital to shareholders by repurchasing ~2.9 million shares at an average price of $105.21
- Since separation, repurchased ~105 million shares of common stock, returning $6.9 billion in capital to shareholders at an average price of $66.28
- In 2019, announced acquisitions of Honey (closed on January 3, 2020) and 70% of GoPay (closed in December 2019) as well as strategic investments and partnerships with MercadoLibre and Uber

(1) Free cash flow is a non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

2020 Guidance

Raising FY'20 revenue guidance to 18 – 19% FXN growth, which incorporates the benefit from our acquisition of Honey

Excluding acquisitions, FY'20 non-GAAP EPS growth of 18 – 20%, a raise relative to our preliminary outlook of 17 – 18%

	Low	High
Revenue (in billions)	**$20.800**	**$21.000**
Y/Y Growth at Spot	*17%*	*18%*
FXN Y/Y Growth	*18%*	*19%*
Non-GAAP EPS	**$3.39**	**$3.46**
Free Cash Flow (in billions)	**>$4.0**	

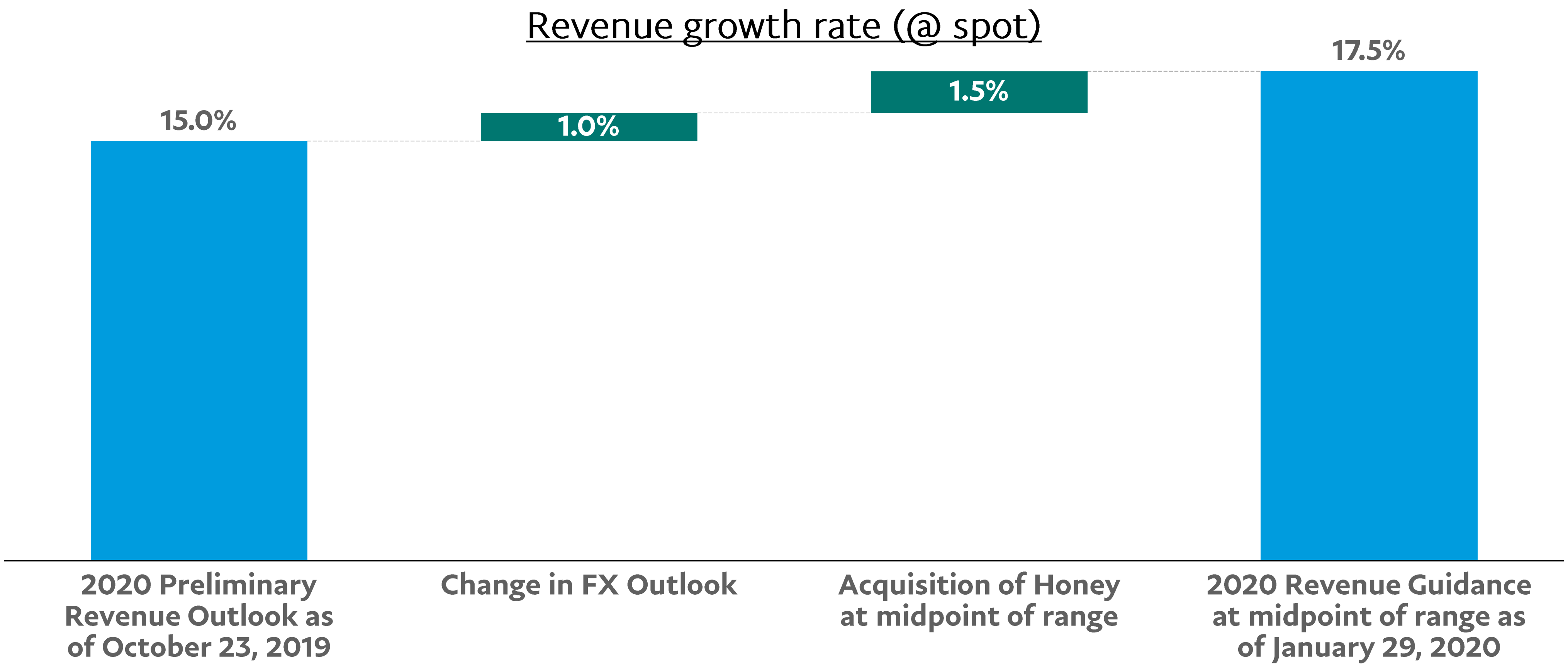
- TPV growth in mid-20% range
- Non-GAAP EPS Y/Y growth of 15% - 17%
- Non-GAAP effective tax rate of 16% - 18%
- CAPEX ~5% of revenue
- GAAP EPS of $1.84 - $1.95
- FCF as a % of revenue: ~20%

- FY'20 revenue:
  - Raising full year revenue guidance to 18 – 19% FXN growth relative to our preliminary outlook as provided on October 23, 2019, to incorporate the impact from the acquisition of Honey
    - Includes ~1.5pts of revenue growth from Honey at the midpoint of the range
    - Includes a ~1pt headwind from the lapping of the acquisitions of iZettle and Hyperwallet as well as a ~1pt headwind from eBay's managed payments transition, consistent with our preliminary outlook
- FY'20 non-GAAP EPS:
  - Excluding acquisitions, non-GAAP EPS growth of 18 – 20%, a raise relative to our preliminary outlook of 17 – 18%
  - Includes ~3pts dilution (~$0.08 – $0.10) from acquisitions announced in 2019 and ~1pt dilution from adoption of CECL
  - FY'20 non-GAAP EPS growth rates exclude the impact of all gains and losses from strategic investments.
- Non-GAAP operating margin expected to remain flat to 2019, with operating leverage and efficiencies offset by the dilutive impact of acquisitions announced in 2019
- FCF includes the impact of taxes related to our acquisition of Honey

Non-GAAP EPS, Non-GAAP operating margin, Non-GAAP effective tax rate, and free cash flow are Non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.

2020 Revenue Guidance vs. Preliminary Outlook*

Raising revenue guidance for the year incorporating Honey

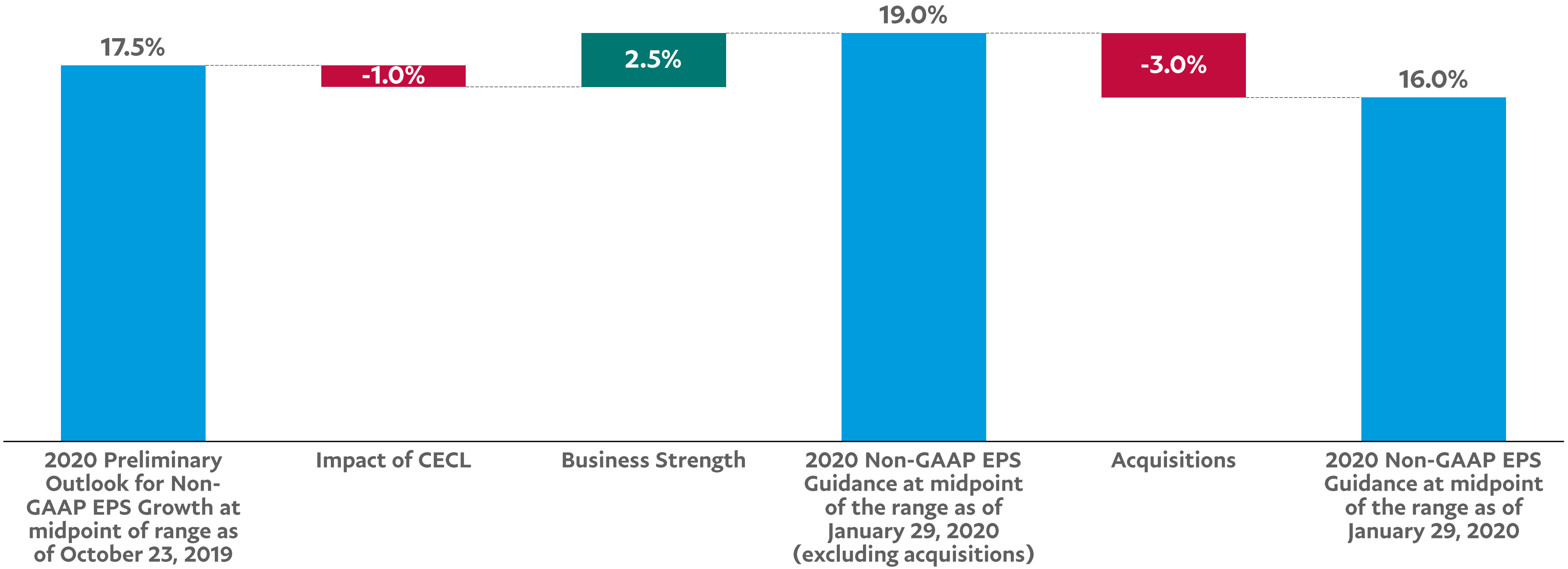


FXN Growth Rate	**17.0%**	**-**	**+1.5%**	**18.5%**

* Preliminary outlook as of October 23rd 2019

2020 Non-GAAP EPS Guidance vs. Preliminary Outlook*

Excluding dilution from acquisitions, raising non-GAAP EPS outlook for the year



- Starting in 2020, our non-GAAP EPS will exclude the impact of all gains and losses on our strategic investments. As a result, 2020 non-GAAP EPS growth rates exclude the impact of strategic investments
- For full year 2019, non-GAAP EPS included $0.14 of net unrealized gains from strategic investments

* Preliminary outlook as of October 23rd 2019

eBay's transition to managed payments: Expected Impact to PayPal in 2020

2020 revenue guidance contemplates 18 – 19% FXN growth… incorporates ~1pt headwind from eBay's transition to managed payments

What's changing when the 5-year term of the eBay Operating Agreement expires in July 2020?

The Operating Agreement has a 5-year term ending in July 2020 with a one-year tail period

PayPal-branded Transactions	• Will continue to process ALL transactions in which the PayPal wallet is the selected funding instrument ('branded transactions'), whether or not a merchant has opted-in to eBay's managed payments initiative
Unbranded Transactions	• Starting in July, unless and until a merchant opts-in to eBay's managed payments initiative or if eBay were to force merchants to migrate, we will continue to process all transactions funded with an instrument that sits outside of the PayPal wallet ('unbranded transactions')
Take Rate	• Once a merchant has opted-in to eBay's managed payments initiative, the take rate that PayPal enjoys on PayPal-branded transactions transitions to a rate that is commensurate with a large merchant

2020 eBay Marketplaces TPV and revenue expectations

- We expect eBay Marketplaces volume to represent ~6% of our overall TPV mix by the end of Q2-20
- We expect an ~1pt impact to FXN revenue growth from the transition of eBay's Marketplaces business

New Accounting Standard: Current Expected Credit Losses (CECL)

2020 non-GAAP EPS guidance includes ~1pt headwind to growth from CECL

CECL: Accounting Standard and Implications

- PayPal is required to account for credit losses under the Current Expected Credit Losses Model (CECL) starting January 1, 2020
- Under this new standard, we are required to estimate and provision for loan losses over the contractual life of a loan at loan origination incorporating macro-economic factors, asset quality and loan duration
- The prior standard, the incurred loss method, required credit loss recognition when it was probable that a loss has been incurred
- This accounting standard change has no effect on cash flows or actual net charge-offs
- The 'Day 1' impact (one-time) is a balance sheet adjustment resulting in an increase to our allowance for loans and interest receivables and a corresponding decrease in retained earnings
- The 'Day 2' impact (ongoing), refers to the impact on our income statement from this new accounting standard

2020 Impact to Balance Sheet and Income Statement

- Day 1: Estimated effect of CECL: ~65% - 85% increase in our allowance for loans and interest receivables
- Day 2: Estimated effect on non-GAAP EPS growth : ~1pt headwind

PayPal

Q1 2020 Guidance

	Low	High
Revenue (in billions)	**$4.780**	**$4.840**
Y/Y Growth at Spot	*16%*	*17%*
FXN Y/Y Growth	*17%*	*18%*
Non-GAAP EPS	**$0.76**	**$0.78**

- Expect non-GAAP EPS to grow 15 – 18%; excluding acquisitions announced in 2019, growth rate of 19 – 22%
  - Expected impact of dilution from acquisitions is ~$0.02 – $0.03
- In 2020, non-GAAP EPS will exclude the impact of all gains and losses on PayPal's strategic investment portfolio.
- Q1-19 included $0.12 of net unrealized gains from strategic investments
- Q1-20 non-GAAP EPS growth rates exclude the impact of all gains and losses from strategic investments
- Acquisitions announced in 2019 expected to have a greater dilutive impact on EPS in Q1 / Q2 of 2020 relative to Q3 / Q4

Non-GAAP EPS is a Non-GAAP financial measure. Please see the Supplemental Information for a reconciliation of this Non-GAAP financial measure to the most directly comparable GAAP financial measure.

Supplemental Information

PayPal Metrics[1]

(in millions, except %)	Q3-18	Q4-18	Q1-19	Q2-19	Q3-19	Q4-19
Active Accounts	**254**	**267**	**277**	**286**	**295**	**305**
Y/Y Growth	15%	17%	17%	17%	16%	14%
Net New Active Accounts	**9.1**	**13.8**	**9.3**	**9.0**	**9.8**	**9.3**
Number of Payment Transactions	**2,463**	**2,867**	**2,838**	**2,973**	**3,090**	**3,461**
Y/Y Growth	27%	28%	28%	28%	25%	21%
Total Payment Volume	**143,004**	**163,648**	**161,492**	**172,359**	**178,670**	**199,404**
Y/Y Growth	24%	23%	22%	24%	25%	22%
FXN Y/Y Growth	25%	25%	25%	26%	27%	22%
US TPV	83,242	94,439	95,697	102,224	106,591	118,666
Y/Y Growth	27%	28%	28%	28%	28%	26%
International TPV	59,761	69,209	65,795	70,136	72,079	80,738
Y/Y Growth	20%	18%	14%	18%	21%	17%
FXN Y/Y Growth	22%	22%	22%	24%	25%	18%
Total Take Rate	**2.58%**	**2.58%**	**2.56%**	**2.50%**	**2.45%**	**2.49%**
Transaction Take Rate	**2.34%**	**2.35%**	**2.31%**	**2.25%**	**2.21%**	**2.27%**
Transaction Expense Rate	0.96%	0.96%	0.96%	0.94%	0.95%	0.96%
Transaction and Loan Loss Rate	0.21%	0.21%	0.21%	0.18%	0.19%	0.19%
Transaction Margin	**54.9%**	**54.6%**	**54.2%**	**54.8%**	**53.4%**	**53.8%**

- Transaction growth of 21%; deceleration on a y/y and sequential basis was driven by lapping of 2018 acquisitions (iZettle and Hyperwallet)
- Cross-border trade (CBT) was 17% of TPV in the quarter, growing 14% on an FX-neutral basis
- 48% of active accounts are outside the U.S.
- Average Payment Volume (APV) was $58, up 1% year-over-year
- Transaction take rate down ~8 bps, driven primarily by P2P growth (including Venmo)
- Credit loans receivable of ~$4.0B, with $2.6B related to merchant receivables, consisting of PayPal Working Capital and PayPal Business Loan products

(1) Definitions included in Supplemental Information.

Financial Detail

($ millions)	Q3 18	Q4 18	Q1 19	Q2 19	Q3 19	Q4 19
Transaction Revenue	3,343	3,851	3,731	3,878	3,955	4,535
Y/Y Growth	17%	19%	17%	17%	18%	18%
Other Value Added Services (OVAS)	340	375	397	427	423	426
Y/Y Growth	-11%	-19%*	-19%	-21%	24%	14%
Total Revenue	**3,683**	**4,226**	**4,128**	**4,305**	**4,378**	**4,961**
Y/Y Growth	14%	14% *	12%	12%	19%	17%
FXN Y/Y Growth	14%	14%*	12%	12%	19%	18%
% International	47%	48%	47%	47%	47%	47%
US Revenue Y/Y Growth	13%	9% *	8%	7%	19%	19%
International Revenue FXN Y/Y Growth	15%	19%	17%	18%	20%	17%
Volume-based expenses	1,661	1,918	1,890	1,945	2,041	2,294
Non-transaction related expenses	1,235	1,395	1,304	1,362	1,311	1,494
Total Operating Expenses[1]	**2,896**	**3,313**	**3,194**	**3,307**	**3,352**	**3,788**
Y/Y Growth	12%	14%	12%	9%	16%	14%
Non-GAAP Op. Income[1]	**787**	**913**	**934**	**998**	**1026**	**1173**
Non-GAAP Op. Margin %[1]	**21%**	**22%**	**23%**	**23%**	**23%**	**24%**
Non-GAAP EPS[1]	**$0.58**	**$0.69**	**$0.78**	**$0.86**	**$0.61**	**$0.86**
Y/Y Growth	26%	26%	37%	47%	5%	24%
CAPEX	223	224	218	139	173	174
Free Cash Flow[1]	**4447**	**910**	**809**	**1035**	**923**	**1090**

- U.S. revenue growth driven primarily by core Merchant Services, Braintree and Venmo
- International revenue growth driven by core Merchant Services.

(1) Non-GAAP revenue, non-GAAP operating expenses, non-GAAP operating income, non-GAAP operating margin, Non-GAAP EPS, and free cash flow are Non-GAAP financial measures. Please see the Supplemental Information for a reconciliation of these Non-GAAP financial measures to the most directly comparable GAAP financial measures.
* Q4-18 revenue growth rates are non-GAAP financial measures

Reconciliation of Net Revenues, Transaction and Loan Losses and Transaction Margin

Reconciliation of GAAP Net Revenues to Non-GAAP Net Revenues, Reconciliation of GAAP Transaction and Loan Losses to Non-GAAP Transaction and Loan Losses, Reconciliation of GAAP Transaction and Loan Losses Rate to Non-GAAP Transaction and Loan Losses Rate, Reconciliation of GAAP Transaction Margin to Non-GAAP Transaction Margin

	Three Months Ended										Year Ended December 31,		
(In Millions/Unaudited)	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	2019	2018	2017
TPV	$ 199,404	$ 178,670	$ 172,359	$ 161,492	$ 163,648	$ 143,004	$ 139,403	$ 132,364	$ 132,515	$ 115,224	$ 711,925	$ 578,419	$ 456,179
GAAP Net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,744	$ 3,239	$ 17,772	$ 15,451	$ 13,094
Other[1]	—	—	—	—	—	—	—	—	(39)	—	—	—	(39)
Non-GAAP Net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,705	$ 3,239	$ 17,772	$ 15,451	$ 13,055
GAAP Transaction and loan losses	$ 381	$ 340	$ 318	$ 341	$ 340	$ 295	$ 334	$ 305	$ 40	$ 363	$ 1,380	$ 1,274	$ 1,011
Other[2]	—	—	—	—	—	—	—	—	283	—	—	—	283
Non-GAAP Transaction and loan losses	$ 381	$ 340	$ 318	$ 341	$ 340	$ 295	$ 334	$ 305	$ 323	$ 363	$ 1,380	$ 1,274	$ 1,294
GAAP Transaction and loan losses rate (% of TPV)	0.19%	0.19%	0.18%	0.21%	0.21%	0.21%	0.24%	0.23%	0.03 %	0.32%	0.19%	0.22%	0.22 %
Effect of non-GAAP adjustment	—%	—%	—%	—%	—%	—%	—%	—%	0.21 %	—%	—%	—%	0.06 %
Non-GAAP Transaction and loan losses rate (% of TPV)	0.19%	0.19%	0.18%	0.21%	0.21%	0.21%	0.24%	0.23%	0.24 %	0.32%	0.19%	0.22%	0.28 %
GAAP Transaction margin	53.8%	53.4%	54.8%	54.2%	54.6%	54.9%	56.0%	57.1%	65.1 %	54.8%	54.0%	55.6%	58.5 %
Effect of non-GAAP adjustment	—%	—%	—%	—%	—%	—%	—%	—%	(8.0)%	—%	—%	—%	(2.3)%
Non-GAAP Transaction margin	53.8%	53.4%	54.8%	54.2%	54.6%	54.9%	56.0%	57.1%	57.1 %	54.8%	54.0%	55.6%	56.2 %

Amounts in the table are rounded to the nearest million, except as otherwise noted. As a result, certain amounts may not recalculate using the rounded amounts provided.

[1] Elimination of allowance on interest receivable due to the designation of the U.S. Consumer Credit receivables portfolio as held for sale.

[2] Elimination of allowance on loans receivable due to the designation of the U.S. Consumer Credit receivables portfolio as held for sale.

Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses

(In Millions/Unaudited)	Note	Three Months Ended December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	Year Ended December 31, 2019	2018	2017
GAAP operating expenses:														
Transaction expense		$ 1,913	$ 1,701	$ 1,627	$ 1,549	$ 1,578	$ 1,366	$ 1,362	$ 1,275	$ 1,266	$ 1,102	$ 6,790	$ 5,581	$ 4,419
Transaction and loan losses		381	340	318	341	340	295	334	305	40	363	1,380	1,274	1,011
Customer support and operations		438	390	399	388	377	350	338	342	344	318	1,615	1,407	1,265
Sales and marketing		400	316	356	329	401	325	307	281	351	276	1,401	1,314	1,142
Technology and development		558	533	483	511	490	452	441	448	466	436	2,085	1,831	1,740
General and administrative		472	401	419	419	430	377	387	347	342	321	1,711	1,541	1,258
Restructuring and other charges		—	—	(2)	73	12	28	116	153	92	—	71	309	132
Total operating expenses		$ 4,162	$ 3,681	$ 3,600	$ 3,610	$ 3,628	$ 3,193	$ 3,285	$ 3,151	$ 2,901	$ 2,816	$ 15,053	$ 13,257	$ 10,967
Non-GAAP operating expense adjustments:														
Transaction and loan losses	(g)	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 283	$ —	$ —	$ —	$ 283
Customer support and operations	(a)	(54)	(51)	(45)	(48)	(45)	(46)	(41)	(42)	(42)	(38)	(198)	(174)	(142)
	(b)	(1)	(1)	(2)	(5)	(1)	—	(2)	(6)	—	—	(9)	(9)	(2)
Sales and marketing	(a)	(32)	(31)	(32)	(32)	(32)	(30)	(29)	(34)	(33)	(27)	(127)	(125)	(107)
	(b)	(1)	(1)	(5)	(5)	—	—	(3)	(4)	—	—	(12)	(7)	(2)
	(c)	(32)	(34)	(33)	(36)	(39)	(20)	(16)	(17)	(47)	(18)	(135)	(92)	(95)
Technology and development	(a)	(128)	(119)	(80)	(93)	(81)	(76)	(74)	(72)	(82)	(75)	(420)	(303)	(277)
	(b)	(1)	(1)	(3)	(12)	(1)	(1)	(5)	(13)	—	(1)	(17)	(20)	(7)
	(c)	(18)	(18)	(18)	(21)	(20)	(13)	(9)	(12)	(11)	(8)	(75)	(54)	(34)
	(f)	—	—	—	—	—	—	—	—	—	—	—	—	(15)
General and administrative	(a)	(79)	(72)	(73)	(81)	(77)	(65)	(66)	(61)	(65)	(55)	(305)	(269)	(218)
	(b)	(1)	(1)	(4)	(10)	—	(1)	(3)	(9)	(1)	(1)	(16)	(13)	(6)
	(c)	(1)	—	—	—	—	—	—	—	—	—	(1)	—	—
	(e)	(3)	—	—	—	(7)	(17)	—	—	—	—	(3)	(24)	—
	(h)	—	—	—	—	—	—	—	—	(5)	—	—	—	(5)
	(j)	(23)	—	—	—	—	—	—	—	—	—	(23)	—	—
Restructuring and other charges	(d)	—	—	—	(78)	—	—	—	(25)	—	—	(78)	(25)	(40)
	(i)	—	—	2	5	(12)	(28)	—	—	—	—	7	(40)	—
Total operating expenses		$ (374)	$ (329)	$ (293)	$ (416)	$ (315)	$ (297)	$ (248)	$ (295)	$ (3)	$ (223)	$ (1,412)	$ (1,155)	$ (667)
Non-GAAP operating expenses:														
Transaction expense		$ 1,913	$ 1,701	$ 1,627	$ 1,549	$ 1,578	$ 1,366	$ 1,362	$ 1,275	$ 1,266	$ 1,102	$ 6,790	$ 5,581	$ 4,419
Transaction and loan losses		381	340	318	341	340	295	334	305	323	363	1,380	1,274	1,294
Customer support and operations		383	338	352	335	331	304	295	294	302	280	1,408	1,224	1,121
Sales and marketing		335	250	286	256	330	275	259	226	271	231	1,127	1,090	938
Technology and development		411	395	382	385	388	362	353	351	373	352	1,573	1,454	1,407
General and administrative		365	328	342	328	346	294	318	277	271	265	1,363	1,235	1,029
Restructuring and other charges		—	—	—	—	—	—	116	128	92	—	—	244	92
Total operating expenses		$ 3,788	$ 3,352	$ 3,307	$ 3,194	$ 3,313	$ 2,896	$ 3,037	$ 2,856	$ 2,898	$ 2,593	$ 13,641	$ 12,102	$ 10,300

(a) Stock-based compensation expense.

(b)Employer payroll taxes on stock-based compensation.

(c)Amortization and impairment of acquired intangible assets.

(d) Restructuring.

(e) Acquisition related transaction expense.

(f)Impairment of investment in intellectual property fund.

(g)Elimination of allowance on loans receivable due to the U.S. Consumer Credit receivables portfolio designation as held for sale.

(h)Fees associated with the sale of the U.S. Consumer Credit receivables portfolio.

(i)Net gain (loss) related to the sale of our U.S. Consumer Credit receivables portfolio.

(j)Award for a legal proceeding.

Reconciliation of GAAP Operating Margin to Non-GAAP Operating Margin

(In Millions, Except Percentages/Unaudited)	Three Months Ended										Year Ended December 31,		
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	2019	2018	2017
GAAP operating income	$ 799	$ 697	$ 705	$ 518	$ 598	$ 490	$ 572	$ 534	$ 843	$ 423	$ 2,719	$ 2,194	$ 2,127
Stock-based compensation expense and related employer payroll taxes	297	277	244	286	237	219	223	241	223	197	1,104	920	761
Acquisition related transaction expense	3	—	—	—	7	17	—	—	—	—	3	24	—
Restructuring	—	—	—	78	—	—	—	25	—	—	78	25	40
Amortization of acquired intangible assets	51	52	51	57	59	33	25	29	58	26	211	146	129
Other	23	—	(2)	(5)	12	28	—	—	(317)	—	16	40	(302)
Total non-GAAP operating income adjustments	374	329	293	416	315	297	248	295	(36)	223	1,412	1,155	628
Non-GAAP operating income	$ 1,173	$ 1,026	$ 998	$ 934	$ 913	$ 787	$ 820	$ 829	$ 807	$ 646	$ 4,131	$ 3,349	$ 2,755
Non-GAAP operating margin	23.6%	23.4%	23.2%	22.6%	21.6%	21.4%	21.3%	22.5%	21.8%	19.9%	23.2%	21.7%	21.1%

Reconciliation of Net Income, EPS and Effective Tax Rate

Reconciliation of GAAP Net Income to Non-GAAP Net Income, GAAP Diluted EPS to Non-GAAP Diluted EPS, and GAAP Effective Tax Rate to Non-GAAP Effective Tax Rate

(In Millions, Except Percentages and Per Share Amount/Unaudited)	Three Months Ended December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	Year Ended December 31, 2019	2018	2017
GAAP income before income taxes	$ 854	$ 484	$ 943	$ 717	$ 686	$ 533	$ 609	$ 548	$ 864	$ 451	$ 2,998	$ 2,376	$ 2,200
GAAP income tax expense	347	22	120	50	102	97	83	37	244	71	539	319	405
GAAP net income	507	462	823	667	584	436	526	511	620	380	2,459	2,057	1,795
Non-GAAP adjustments to net income:													
Non-GAAP operating income adjustments (see table above)	374	329	293	416	315	297	248	295	(36)	223	1,412	1,155	628
Other certain significant gains, losses, or charges	230	—	—	—	(6)	14	32	3	201	23	230	43	224
Tax effect of non-GAAP adjustments	(94)	(68)	(98)	(157)	(69)	(53)	(103)	(117)	(115)	(66)	(417)	(342)	(329)
Non-GAAP net income	$ 1,017	$ 723	$ 1,018	$ 926	$ 824	$ 694	$ 703	$ 692	$ 670	$ 560	$ 3,684	$ 2,913	$ 2,318
Shares used in diluted share calculation	1,187	1,188	1,187	1,188	1,196	1,199	1,202	1,217	1,228	1,223	1,188	1,203	1,221
Net income per diluted share:													
GAAP	$ 0.43	$ 0.39	$ 0.69	$ 0.56	$ 0.49	$ 0.36	$ 0.44	$ 0.42	$ 0.50	$ 0.31	$ 2.07	$ 1.71	$ 1.47
Non-GAAP	$ 0.86	$ 0.61	$ 0.86	$ 0.78	$ 0.69	$ 0.58	$ 0.58	$ 0.57	$ 0.55	$ 0.46	$ 3.10	$ 2.42	$ 1.90
GAAP effective tax rate	41 %	5%	13%	7%	15%	18 %	14%	7%	28 %	16%	18 %	13%	18%
Tax effect of non-GAAP adjustments to net income	(24)%	6%	5%	11%	3%	(2)%	4%	11%	(9)%	1%	(2)%	5%	—%
Non-GAAP effective tax rate	17 %	11%	18%	18%	18%	16 %	18%	18%	19 %	17%	16 %	18%	18%

Reconciliation of GAAP Net Revenue by Geography to Non-GAAP Net Revenue by Geography

(In Millions/Unaudited)	Three Months Ended										Year Ended December 31,		
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	2019	2018	2017
U.S. net revenues	$ 2,606	$ 2,327	$ 2,297	$ 2,187	$ 2,189	$ 1,962	$ 2,150	$ 2,023	$ 2,045	$ 1,743	$ 9,417	$ 8,324	$ 7,084
Non-GAAP adjustment[(1)]	—	—	—	—	—	—	—	—	(39)	—	—	—	(39)
Non-GAAP U.S. net revenues	$ 2,606	$ 2,327	$ 2,297	$ 2,187	$ 2,189	$ 1,962	$ 2,150	$ 2,023	$ 2,006	$ 1,743	$ 9,417	$ 8,324	$ 7,045
International net revenues	$ 2,355	$ 2,051	$ 2,008	$ 1,941	$ 2,037	$ 1,721	$ 1,707	$ 1,662	$ 1,699	$ 1,496	$ 8,355	$ 7,127	$ 6,010
Total net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,744	$ 3,239	$ 17,772	$ 15,451	$ 13,094
Non-GAAP adjustment[(1)]	—	—	—	—	—	—	—	—	(39)	—	—	—	(39)
Total non-GAAP net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,705	$ 3,239	$ 17,772	$ 15,451	$ 13,055

(1) Elimination of allowance on interest receivable due to the U.S. Consumer Credit receivables portfolio designation as held for sale.

Reconciliation of GAAP Net Revenue by Type to Non-GAAP Net Revenue by Type

(In Millions/Unaudited)	Three Months Ended December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	Year Ended December 31, 2019	2018	2017
Transaction revenues	$ 4,535	$ 3,955	$ 3,878	$ 3,731	$ 3,851	$ 3,343	$ 3,318	$ 3,197	$ 3,244	$ 2,858	$ 16,099	$ 13,709	$ 11,501
Other value added services	$ 426	$ 423	$ 427	$ 397	$ 375	$ 340	$ 539	$ 488	$ 500	$ 381	$ 1,673	$ 1,742	$ 1,593
Non-GAAP adjustment(1)	—	—	—	—	—	—	—	—	(39)	—	—	—	(39)
Non-GAAP other value added services	$ 426	$ 423	$ 427	$ 397	$ 375	$ 340	$ 539	$ 488	$ 461	$ 381	$ 1,673	$ 1,742	$ 1,554
Total net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,744	$ 3,239	$ 17,772	$ 15,451	$ 13,094
Non-GAAP adjustment(1)	—	—	—	—	—	—	—	—	(39)	—	—	—	(39)
Total non-GAAP net revenues	$ 4,961	$ 4,378	$ 4,305	$ 4,128	$ 4,226	$ 3,683	$ 3,857	$ 3,685	$ 3,705	$ 3,239	$ 17,772	$ 15,451	$ 13,055

(1) Elimination of allowance on interest receivable due to the U.S. Consumer Credit receivables portfolio designation as held for sale.

Reconciliation of Operating Cash Flow to Free Cash Flow and Adjusted Free Cash Flow

(In Millions/Unaudited)	Three Months Ended										Year Ended December 31,		
	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	2019	2018	2017
Net cash provided by operating activities	$ 1,264	$ 1,096	$ 1,174	$ 1,027	$ 1,134	$ 4,670	$ 28	$ (349)	$ (147)	$ 1,006	$ 4,561	$ 5,483	$ 2,531
Less: Purchases of property and equipment, net	(174)	(173)	(139)	(218)	(224)	(223)	(198)	(178)	(180)	(165)	(704)	(823)	(667)
Free cash flow	$ 1,090	$ 923	$ 1,035	$ 809	$ 910	$ 4,447	$ (170)	$ (527)	$ (327)	$ 841	$ 3,857	$ 4,660	$ 1,864
Impact of held for sale accounting presentation related to our U.S. consumer credit receivables portfolio on cash flow from operating activities	—	—	—	—	—	(3,675)	907	1,260	1,299	—		(1,508)	1,299
Adjusted free cash flow	$ 1,090	$ 923	$ 1,035	$ 809	$ 910	$ 772	$ 737	$ 733	$ 972	$ 841	$ 3,857	$ 3,152	$ 3,163

Reconciliation of GAAP Net Revenues to Non-GAAP Pro Forma Net Revenues, GAAP Operating Income to Non-GAAP Pro Forma Operating Income, and GAAP EPS to Non-GAAP Pro Forma EPS

(In Millions, Except Percentages/Unaudited)	Year Ended December 31, 2016	Year Ended December 31, 2015
Total net revenues	$ 10,842	$ 9,248
Pro forma adjustment[1]	—	(7)
Total non-GAAP pro forma net revenues	$ 10,842	$ 9,241
GAAP operating income	$ 1,586	$ 1,461
Stock-based compensation expense and related employer payroll taxes	455	356
Acquisition related transaction expense	—	10
Separation	—	15
Restructuring	—	48
Amortization of acquired intangible assets	133	85
Total non-GAAP operating income adjustments	588	514
Non-GAAP operating income	$ 2,174	$ 1,975
Pro forma operating income adjustments[1], [2]	—	(23)
Non-GAAP pro forma operating income	$ 2,174	$ 1,952
Non-GAAP pro forma operating margin	20.1%	21.1%
GAAP net income	$ 1,401	$ 1,228
Non-GAAP adjustments to net income:		
Non-GAAP operating income adjustments (see above)	588	514
Separation (Other income (expense), net)	—	(12)
Tax effect of non-GAAP adjustments	(164)	(142)
Non-GAAP net income	$ 1,825	$ 1,588
Non-GAAP pro forma adjustments to net income:		
Non-GAAP pro forma operating income adjustments (see above)	—	(23)
Tax effect of non-GAAP pro forma adjustments	—	3
Non-GAAP pro forma net income	$ 1,825	$ 1,568
Shares used in diluted share calculation	1,218	1,229
Net income per diluted share:		
GAAP	$ 1.15	$ 1.00
Non-GAAP	$ 1.50	$ 1.29
Non-GAAP pro forma	$ 1.50	$ 1.28

(1) Reflects the impact of lower transaction revenues from payment services provided by PayPal to eBay as the result of the terms of certain commercial agreements negotiated between the parties that stipulate lower transaction fees than those historically charged to eBay.

(2) Reflects the effect of (a) the Protection program losses and service costs that were historically reimbursed to PayPal by eBay for the administration of eBay's customer protection programs, (b) the net reduction of costs charged to PayPal by eBay for referral services and user penetration, and (c) additional costs associated with shared data centers and information technology facilities.

PayPal

Q1-20 and FY 2020 GAAP and Non-GAAP Guidance

	Three Months Ending March 31, 2020	
(in billions, except per share amounts)	GAAP	Non-GAAP(a)
Revenues	$4.78 - $4.84	$4.78 - $4.84
Diluted EPS	$0.16 - $0.21	$0.76 - $0.78

	Twelve Months Ending December 31, 2020	
(in billions, except per share amounts)	GAAP	Non-GAAP(b)
Revenues	$20.800 - $21.000	$20.800 - $21.000
Diluted EPS	$1.84 - $1.95	$3.39 - $3.46
Free Cash Flow		>$4

(a) Estimated non-GAAP amounts above for the three months ending March 31, 2020, reflect adjustments of approximately $480 - $520 million, primarily representing estimated stock-based compensation expense and related payroll taxes in the range of $350 - $370 million. GAAP EPS also includes an estimated ~$0.30 relating to the negative impact of taxes from the acquisition of Honey. GAAP EPS includes an estimated ~$0.02 relating to unrealized gains on our strategic investments.

(b) Estimated non-GAAP amounts above for the twelve months ending December 31, 2020, reflect adjustments of approximately $1.82 - $1.94 billion, primarily representing estimated stock-based compensation expense and related payroll taxes, in the range of $1.31 - $1.38 billion. GAAP EPS also includes an estimated ~$0.30 relating to the negative impact of taxes from the acquisition of Honey. GAAP EPS includes an estimated ~$0.02 relating to unrealized gains on our strategic investments.

Definitions

- **Active Accounts:** An active account is an account registered directly with PayPal or a platform access partner that has completed a transaction on our Payments platform, not including gateway-exclusive transactions, within the past 12 months.
- **Number of Payment Transactions:** Payment transactions are the total number of payments, net of payment reversals, successfully completed on our Payments Platform or enabled by PayPal via a partner payment solution, not including gateway-exclusive transactions.
- **Number of Payment Transactions per Active Account:** Number of payment transactions per active account reflects the total number of payment transactions within the previous 12-month period, divided by active accounts at the end of the period.
- **Total Payment Volume:** Total Payment Volume or "TPV" is the value of payments, net of payment reversals, successfully completed on our Payments Platform, or enabled by PayPal via a partner payment solution, not including gateway-exclusive transactions.
- **Total Take Rate:** Total take rate is total revenue divided by TPV.
- **Transaction Take Rate:** Transaction take rate is transaction revenue divided by TPV.
- **Transaction Expense Rate:** Transaction expense rate is calculated by dividing transaction expense by TPV.
- **Transaction and Loan Loss Rate:** Transaction and loan loss rate is calculated by dividing transaction and loan loss by TPV.
- **Transaction Margin:** Transaction margin is total revenue less transaction expense and transaction and loan loss, divided by total revenue.