

| OMB APPROVAL | |
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|--|---|
| 1. Name and Address of Reporting Person* <u>Rainey John D</u> (Last) (First) (Middle) C/O PAYPAL HOLDINGS, INC. 2211 NORTH FIRST STREET (Street) SAN JOSE CA 95131 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>PayPal Holdings, Inc. [PYPL]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>CFO and EVP, Global Customer O</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>02/01/2019</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------------------------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 02/01/2019 | | M | | 5,462 | A | \$33.8 | 140,844 | D | |
| Common Stock | 02/01/2019 | | S | | 3,462 ⁽¹⁾ | D | \$88.7194 ⁽²⁾ | 137,382 | D | |
| Common Stock | 02/01/2019 | | S | | 2,000 ⁽¹⁾ | D | \$89.67 ⁽³⁾ | 135,382 | D | |
| Common Stock | 02/01/2019 | | S | | 12,450 ⁽¹⁾ | D | \$88.7265 ⁽⁴⁾ | 122,932 | D | |
| Common Stock | 02/01/2019 | | S | | 15,087 ⁽¹⁾ | D | \$89.6615 ⁽⁵⁾ | 107,845 | D | |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-------|--|-----------------|---|--|--|---|--|-------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Non-Qualified Stock Option (right to buy) | \$33.8 | 02/01/2019 | | M | | | 5,462 | (6) | 09/15/2022 | Common Stock | 5,462 | \$0.0 | 12,745 | D | |
| Restricted Stock Units -1 | (9) | | | | | | | (7) | (8) | Common Stock | 10,923 | | 10,923 | D | |
| Restricted Stock Units -3 | (9) | | | | | | | (10) | (8) | Common Stock | 16,786 | | 16,786 | D | |
| Restricted Stock Units -4 | (9) | | | | | | | (10) | (8) | Common Stock | 40,430 | | 40,430 | D | |
| Restricted Stock Units -6 | (9) | | | | | | | (10) | (8) | Common Stock | 50,300 | | 50,300 | D | |

Explanation of Responses:

1. The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan.

2. Represents the weighted average price of shares sold at prices that ranged from \$88.345 to \$89.32.
3. Represents the weighted average price of shares sold at prices that ranged from \$89.37 to \$89.88.
4. Represents the weighted average price of shares sold at prices that ranged from \$88.30 to \$89.22.
5. Represents the weighted average price of shares sold at prices that ranged from \$89.30 to \$89.87.
6. The option grant is subject to a four-year vesting schedule, vesting 12.5% on the 6 month anniversary of the grant and 1/48th per month thereafter.
7. The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on the one year anniversary date of the restricted stock unit and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
8. Not applicable.
9. Each restricted stock unit represents a contingent right to receive one share of PayPal's common stock.
10. The reporting person received a restricted stock unit grant subject to a three-year vesting schedule, vesting 33.34% on the one year anniversary date of the restricted stock unit, 33.33% on the second year anniversary, and 33.33% on the third year anniversary. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

By: Brian Yamasaki For: John 02/04/2019
D. Rainey

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.