
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 7, 2023

PayPal Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36859
(Commission
File Number)

47-2989869
(I.R.S. Employer
Identification No.)

2211 North First Street
San Jose, CA 95131
(Address of principal executive offices)

(408) 967-1000
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	PYPL	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

5-Year Revolving Credit Facility

On June 7, 2023, PayPal Holdings, Inc., as parent borrower (the “Company”), entered into a credit agreement (the “Credit Agreement”) with PayPal Australia Pty Limited (the “Australian Borrower”), PayPal (Europe) S.à r.l. et Cie, S.C.A. (the “Luxembourg Borrower”) and, together with the Australian Borrower, the “Foreign Borrowers”), JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Australia Limited, as the Administrative Agents, and the lenders party thereto.

The Credit Agreement provides for an unsecured \$5.0 billion five-year revolving credit facility that includes a \$150 million letter of credit sub-facility and a \$600 million swingline sub-facility, with available borrowings under the revolving credit facility reduced by the amount of any letters of credit and swingline borrowings outstanding from time to time. Loans borrowed under the Credit Agreement are available in U.S. dollars, euros, pounds sterling and Australian dollars, in each case subject to the sub-limits and other limitations provided in the Credit Agreement. The Company may also, subject to the agreement of the applicable lenders and satisfaction of specified conditions, increase the commitments under the revolving credit facility by up to \$2.0 billion.

Subject to specified conditions, the Company may designate one or more of its other subsidiaries as additional borrowers under the Credit Agreement; provided that the Company guarantees all borrowings and other obligations of any such other subsidiaries under the Credit Agreement.

Funds borrowed under the Credit Agreement may be used for working capital, capital expenditures, acquisitions and other purposes not in contravention with the Credit Agreement.

Loans under the Credit Agreement will bear interest at either (i) the applicable term benchmark rate plus a margin (based on the Company’s public debt ratings) ranging from 0.750 percent to 1.250 percent, (ii) the applicable RFR rate (SONIA for loans denominated in pounds sterling and ESTR for loans denominated in euros) plus a margin (based on the Company’s public debt ratings) ranging from 0.750 percent to 1.250 percent, (iii) the applicable overnight rate plus a margin (based on the Company’s public debt ratings) ranging from 0.750 percent to 1.250 percent or (iv) a formula based on the prime rate, the federal funds effective rate or adjusted term SOFR plus a margin (based on the Company’s public debt ratings) ranging from zero percent to 0.250 percent. Subject to certain conditions stated in the Credit Agreement, the Company, any Foreign Borrower and any subsidiaries designated as additional borrowers may borrow, prepay and reborrow amounts under the revolving credit facility at any time during the term of the Credit Agreement. The Credit Agreement will terminate and all amounts owing thereunder will be due and payable on June 7, 2028, unless (a) the commitments are terminated earlier, either at the request of the Company or, if an event of default occurs, by the lenders (or automatically in the case of certain bankruptcy-related events), or (b) the maturity date is extended upon the request of the Company, subject to the agreement of the lenders. The Credit Agreement contains customary representations, warranties, affirmative and negative covenants, including a financial covenant, events of default and indemnification provisions in favor of the lenders. The negative covenants include restrictions regarding the incurrence of liens and the incurrence of subsidiary indebtedness, in each case subject to certain exceptions. The financial covenant requires the Company to meet a quarterly financial test with respect to a maximum consolidated leverage ratio.

The lenders party to the Credit Agreement and/or their affiliates have from time to time provided, and/or may in the future provide, various financial advisory, commercial banking, investment banking and other services to the Company and its affiliates, for which they received or may receive customary compensation and expense reimbursement.

The foregoing description of the Credit Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Credit Agreement, which is attached hereto as Exhibit 10.1, and is incorporated by reference into this Current Report on Form 8-K.

Item 1.02. Termination of a Material Definitive Agreement.

On June 7, 2023, the Company terminated the revolving facility pursuant to that certain Credit Agreement, dated as of September 11, 2019, among the Company, the lenders party thereto, JPMorgan Chase Bank, N.A., J.P. Morgan Securities Australia Limited, JPMorgan Chase Bank, N.A., Toronto Branch, and J.P. Morgan Europe Limited, as the administrative agents, and the other parties thereto.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.1	Credit Agreement, dated as of June 7, 2023, among PayPal Holdings, Inc., the Designated Borrowers party thereto, the Lenders party thereto and JPMorgan Chase Bank, N.A. and J.P. Morgan Securities Australia Limited, as the Administrative Agents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PayPal Holdings, Inc.
(Registrant)

Date: June 12, 2023

/s/ Brian Y. Yamasaki

Name: Brian Y. Yamasaki

Title: Vice President, Corporate Legal and Secretary