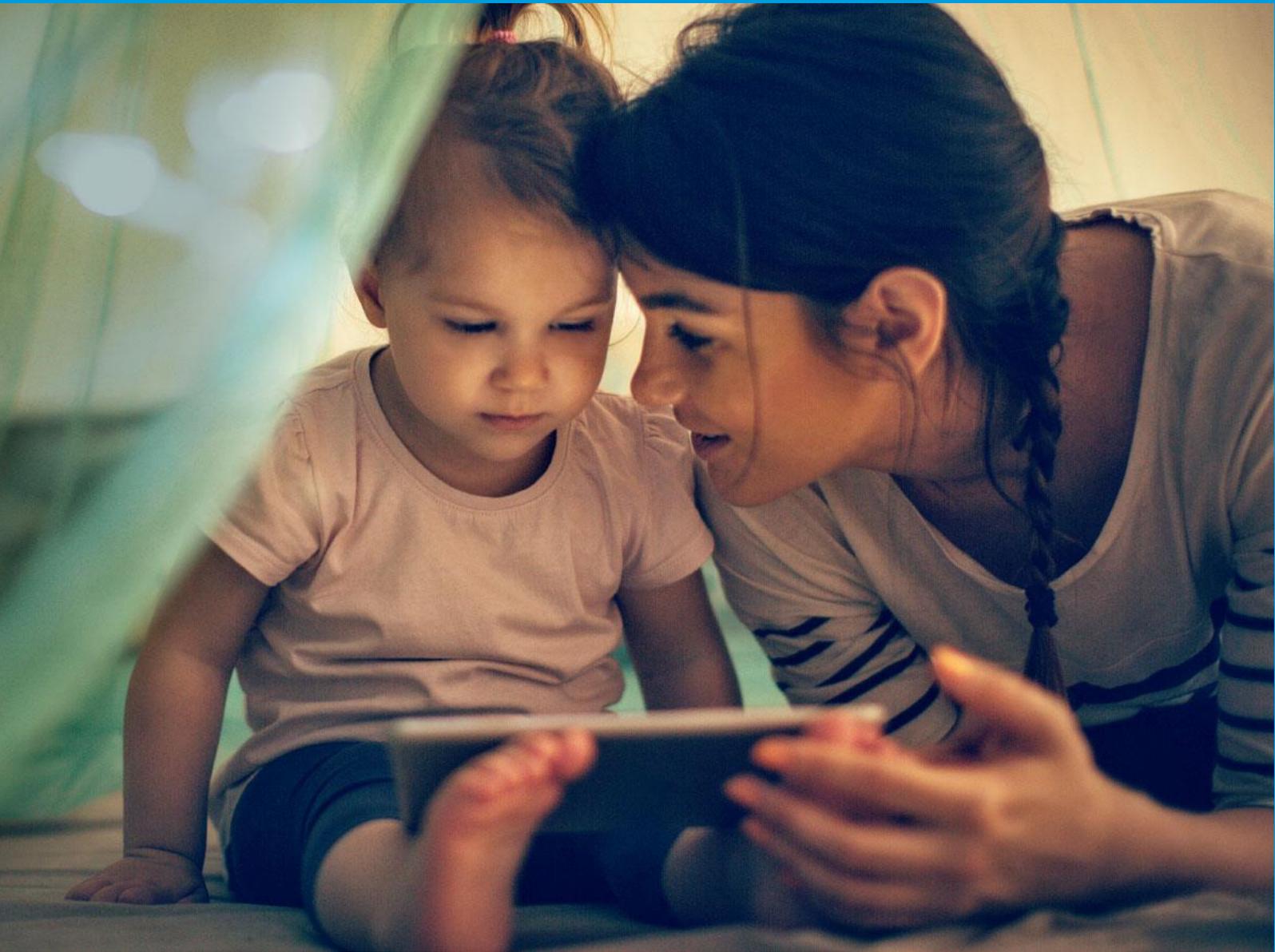


Annual Report 2017



PayPal
Giving Fund

A letter from the Chair and CEO

Dear Supporter,

PayPal Giving Fund was very successful in 2017. We were delighted to help raise more than \$100m - an increase of more than 150% over 2016. Much of this growth can be attributed to the incredible efforts of our partners, including eBay, GoFundMe, and Humble Bundle. Their ongoing work to engage customers in giving demonstrates a sincere commitment to the charitable sector, and we are proud to continue our work together.

In 2017, we received contributions from more than 1 million donors, and made grants to more than 46,000 charities. Donors gave generously, in particular to support organizations providing relief and recovery to the communities impacted by the devastating hurricanes that struck the US in August. More than 100,000 donations, totaling more than \$8m, were made to PayPal Giving Fund to help those in need.

At the heart of PayPal Giving Fund are the charities that are addressing some of society's most critical challenges. The number of organizations enrolled in PayPal Giving Fund more than doubled in 2017 - from 19,000 to more than 42,000. Enrollment enables charities to benefit from all of our programs, receive grants quickly and securely, and to make connections with new supporters.

During the course of the year, we also worked tirelessly to improve our operations. Highlights included improvements to our disclosures and enhanced reports for charities. We also introduced a donation tracker so every donor can see when, and how, their donations are granted to their chosen organizations.

We are energized by the tremendous opportunities ahead. In 2018, we look forward to further developing our partnerships and capabilities for the benefit of the organizations we serve.

We are very grateful for your continued support.

Regards,

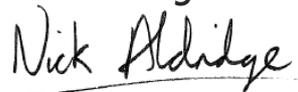
Sean Milliken



Chairman of the Board



Nick Aldridge



Chief Executive



Our Vision and Mission

PayPal Giving Fund's vision is to inspire a new wave of philanthropy, harnessing the power of technology to make giving a part of everyday life. We pursue this vision by developing innovative programs that introduce charitable giving in relevant and engaging ways to new audiences.

Through our partnerships, we make it easy for donors to support the charities they care about on the websites and apps they use every day. In doing so, we enable charities to forge relationships with new supporters, and benefit from new sources of unrestricted funds.

In all that we do, we strive to innovate – to provide more opportunities to give, engage more donors, improve the user experience, and raise more funds. We provide donation and donor reports, issue tax receipts, distribute grants, and handle registration requirements — all without charging charities for our services.



Board and Governance

PayPal Giving Fund is a Donor Advised Fund recognized by the IRS as a 501(c)(3) public charity in the US, and a registered charity in the UK. We accept charitable contributions in both the US and the UK, issue charitable tax receipts to donors, collect Gift Aid in the UK, and make grants to charities recommended by donors.

PayPal Giving Fund is overseen by an experienced Board of Directors which, on behalf of our donors and beneficiaries, is charged with establishing overall strategy, governing our operations, and monitoring our effectiveness. Among other responsibilities, the board meets regularly to oversee the organization's policies and practices to promote integrity, transparency, and accountability.

Board of directors:

- **Sean Milliken**, Head of Global Social Innovation, PayPal
- **Bill Barmeier**, Philanthropic and Investment Professional
- **John Kunze**, VP, Global Consumer Product and Xoom, PayPal
- **Aaron Anderson**, Chief Accounting Officer, PayPal
- **Steve Yankovich**, Chief Product Architect, eBay
- **Jo Lambert**, VP, Global Consumer Product & Engineering, PayPal

Officers:

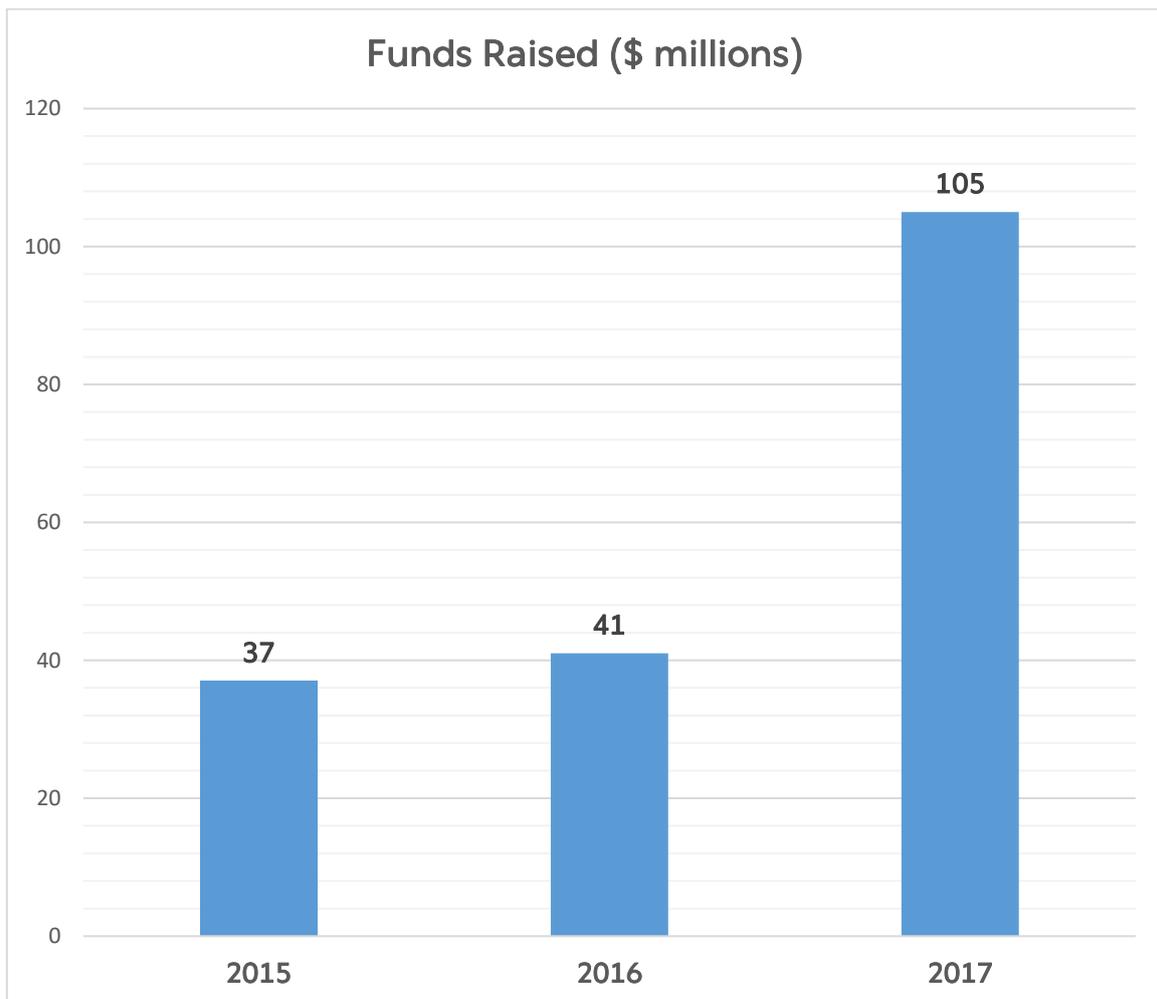
- **Nick Aldridge**, Chief Executive Officer
- **Joshua Tripp**, President and Chief Financial Officer

As of Dec 31, 2017

Key Achievements

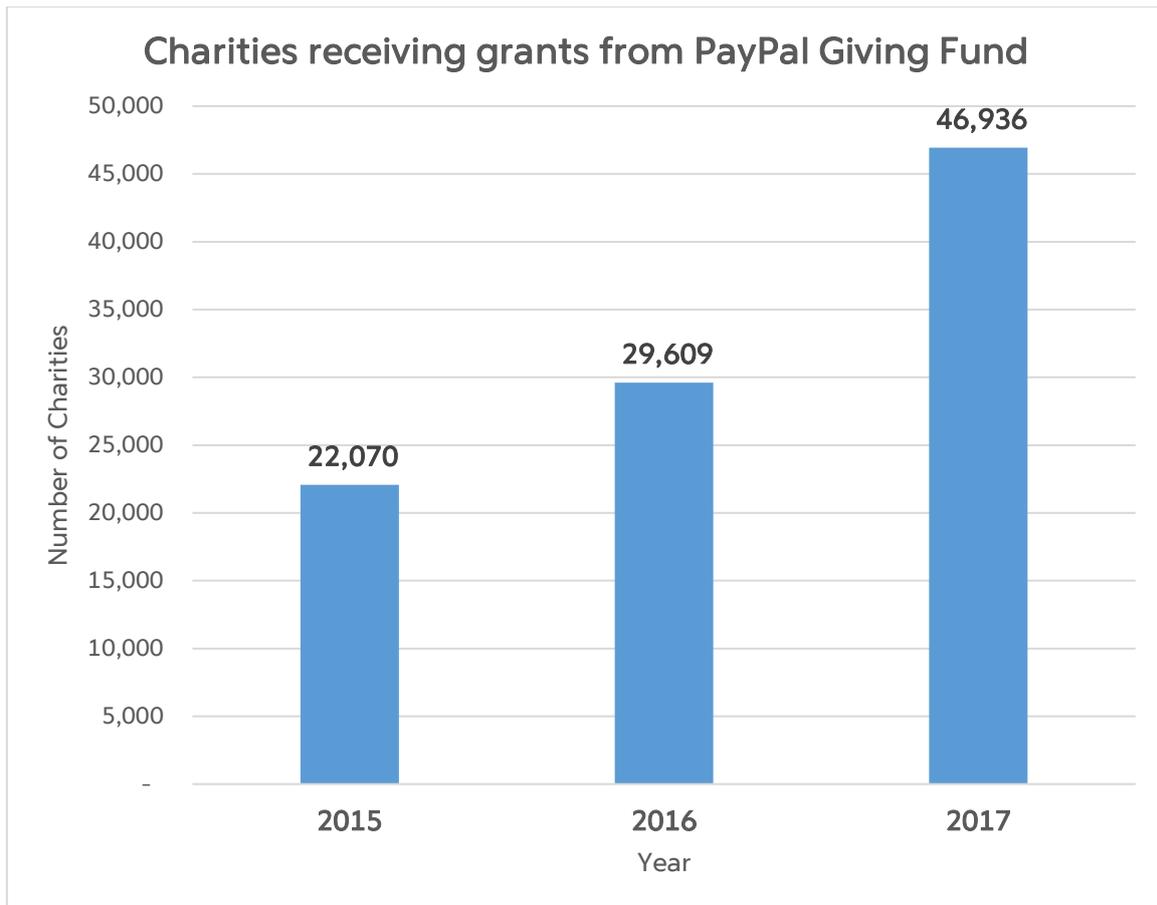
Funds raised

PayPal Giving Fund achieved greater impact in furthering its mission in 2017 than any previous year. We achieved more than a **150% increase in the total donations** received by PayPal Giving Fund in 2017, as compared to 2016.



Benefitting charities

PayPal Giving Fund significantly increased the number of charities that benefitted from its programs in 2017. More than 46,000 charities (a 59% increase compared with 2016) benefitted from the grant funding we distributed during the year.



Growth of our programs



PayPal makes it easy for donors to find and support their favorite charities through the PayPal Mobile App and dedicated fundraising pages. These giving opportunities embedded in the PayPal customer experience are enhanced by seasonal campaigns and promotions that inspire people to give more, and give more often. During 2017, PayPal and PayPal Giving Fund made several enhancements to the donation experience on the PayPal fundraising pages and App, enabling PayPal users to find and support their favorite charities more easily.

PayPal quickly launched disaster relief campaigns in response to the devastation caused by hurricanes in the US. PayPal Giving Fund received and granted more than \$8 million to make a rapid contribution to charities helping people in immediate and desperate need.



eBay for Charity makes it easy for buyers and sellers to support their favorite charities in one of the world's largest marketplaces. When a charity enrolls with PayPal Giving Fund, eBay sellers can donate a portion of their sales to PayPal Giving Fund to, in turn, benefit an organization they select, and buyers can add donations at checkout. Special features help eBay for Charity items stand out, and eBay incentivizes charitable selling by crediting sales fees on charitable proceeds.

The eBay seller experience benefitted from an overhaul in its design and user experience in 2017. This included additional support and advice for charities using eBay for Charity to increase the funds they receive. PayPal Giving Fund supported eBay with these changes, as well as helping eBay with several disaster relief campaigns during the year.

Humble Bundle

Humble Bundle is a leading retailer of digital games and eBooks that offers its customers the opportunity to support the charities in our network with every purchase they make. Through an innovative "pay what you want" pricing model, customers can choose not only what they want to pay, but also designate a portion of the sale to be donated by Humble Bundle to PayPal Giving Fund to benefit the charity of their choice.

Our partnership with Humble Bundle was launched in 2015, and thanks to Humble Bundle's continued generosity and the support of its users, 2017 saw a remarkable increase in the funds granted to benefit charities from the Humble Bundle program.



GoFundMe is a crowdfunding platform that lets people raise funds to benefit their favorite charities through donations made to PayPal Giving Fund. Through the site, users can create their own unique fundraising campaigns to support a charity of their choosing. Then they can share their campaigns through social media to drive donations.

Having launched our new partnership with GoFundMe at the end of 2016, PayPal Giving Fund was for the first time able to expand into charity crowdfunding.

Other achievements



Increased Partner Engagement

To give partners like GoFundMe greater visibility into the donations received by PayPal Giving Fund through their platforms, we introduced the first version of our Partner Portal in 2017. This portal enables partners to access secure information about donations received through their platforms and the payout status of those donations.



Increased Visibility for Enrolled Charities

Charities enrolled with PayPal Giving Fund can access a dashboard containing donor and donation data for the funds they received from PayPal Giving Fund, where donors have consented to share their contact details. In 2017, we made enhancements to the dashboard enabling charities to view their pending grants (before payout) and to see the names of the GoFundMe campaigns through which funds were raised to support them.



Donation Tracking for Donors

We introduced a new donation tracker to enable donors to track the progress of their donations. Using a link in their receipts, donors can now follow the progress of their donation right up to the point when PayPal Giving Fund grants it to their chosen charity.

Financial Summary

Our financial results

	Year ended December 31, 2017 <i>(does not include in-kind*)</i>	Year ended December 31, 2016 <i>(does not include in-kind*)</i>
Donor contributions	\$ 105,013,258	\$ 40,770,527
Program service revenue	1,834,939	1,997,089
Miscellaneous income	7,495	29,873
Total revenues	106,855,692	42,797,489
Grants to charitable organizations	102,400,417	40,601,645
Other program services	3,699,137	1,233,229
General and management	330,723	455,525
Fundraising	220,425	292,816
Total grants and expenses	106,650,702	42,583,215
Foreign currency translation adj.	42,028	(180,920)
Change in net assets	247,017	33,354
Net assets, beginning of year	1,441,467	1,408,113
Net assets, end of year	\$ 1,688,484	\$ 1,441,467

Managing our expenses

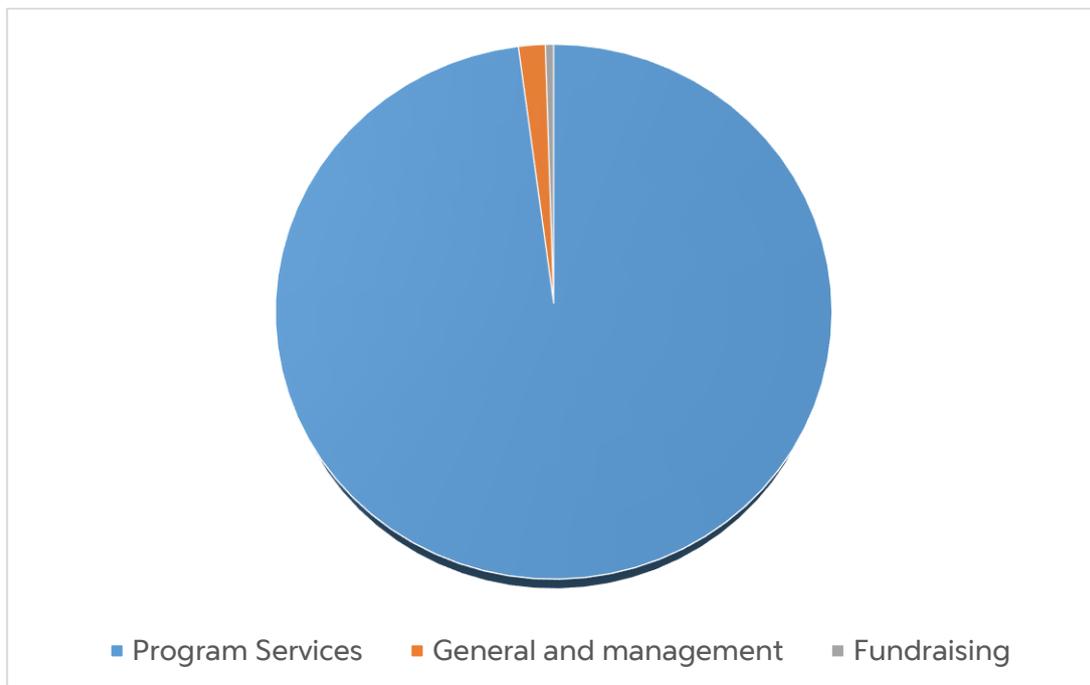
At PayPal Giving Fund, we are proud of the fact that, as in previous years, we've been able to continue our work without deducting any fees for ourselves from the donations we receive. Thanks to the support of PayPal and our other partners, our operational expenses continue to be fully covered.

Due to several system, process, and staff improvements throughout 2017, PayPal Giving Fund was able to increase funds raised by 150% while reducing its general and management and fundraising costs. Our direct overhead expenses were less than \$0.01 per \$1 raised in 2017.

	2017	2016	2015
Funds raised	\$105m	\$41m	\$37m
Direct general and management and fundraising costs	\$551,148	\$748,341	\$632,988
Direct cost to PayPal Giving Fund to raise \$1 for charity	<\$0.01	\$0.02	\$0.02

Our in-kind support from PayPal

In addition to its direct expenses, PayPal Giving Fund receives considerable in-kind support from PayPal, including product and engineering work, customer service resources, legal advice and use of PayPal’s office space, servers and equipment. The value of these services totaled \$2.4m in 2017. Even taking into account these in-kind costs, PayPal Giving Fund devotes almost 98% of its expenses to the delivery of its programs: the issuing of grants to charities from the donor advised funds we sponsor.



***PayPal* Giving Fund**

Annual Report 2017