Stellar

(XLM)

Quarterly Report

Q2 2026

Blockworks Advisory

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SECTION 01

Executive Summary

Q2 2026 brought the institutional adoption Stellar spent a decade building toward. On May 27, the Depository Trust & Clearing Corporation announced plans to connect the Depository Trust Company's tokenization service to Stellar, a venue that custodies and services more than $114 trillion in securities. Tokenized assets are expected to become available on Stellar in the first half of 2027. In the interim, DTCC and the Stellar Development Foundation will evaluate use cases across constituents of the Russell 1000, ETFs tracking major indices, and US Treasury bills, bonds, and notes.

What the numbers do reflect is asset growth. Tokenized real-world assets closed Q2 at $3.00 billion, up from $1.50 billion at the end of Q1, and the network passed three separate billion-dollar marks inside a single calendar year. Payment volume recovered to $16.43 billion, up 68.8% from Q1's $9.73 billion. Stablecoin balances grew 16.0% to $346 million.

Underneath the asset growth, the composition of network activity kept shifting. Stellar settles two kinds of activity on a single ledger: classic operations (the original payment, orderbook, and trustline primitives) and Soroban (the smart contract environment added in a February 2024 protocol upgrade). Both are validated by the same set of validators, so the split between them describes where activity settles rather than a choice users make. Soroban accounted for 41.3% of all Stellar transactions in Q2, up from 38.8% in Q1 and 25.3% three quarters earlier. Soroban transactions grew 14.3% quarter over quarter against 3.1% for classic transactions, and Soroban now carries 94.4% of network fees and 82.4% of onchain trading volume. Stellar is measurably deepening into a DeFi ecosystem alongside its payments business.

The upgrade cadence held. Protocol 26, "Yardstick," went live on mainnet on May 6 after an April 16 testnet launch, introducing CAP-77 Quorum Freeze, a protocol-native onchain account freeze mechanism that lets validators contain compromised ledger keys through federated consensus. Protocol 27, "Zipper," reached testnet on June 18 and activated on mainnet on July 8, shortly after the quarter closed.

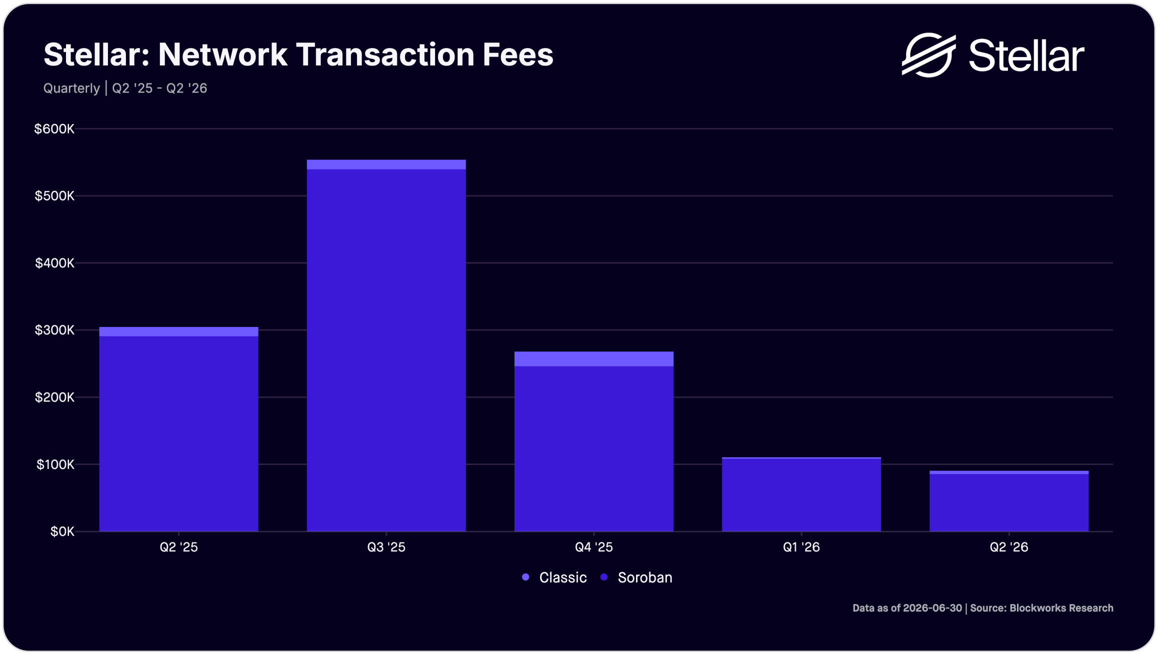
Network fees fell 18.2% to $90,440 as the cost of using the network continued to come down by design. Whisk, Protocol 23, went live on mainnet in September 2025 and restructured rent and resource pricing, and the network's soroban limit parameters cap what a single transaction can consume, holding per-transaction cost down as usage grows. Fees have fallen in every quarter since, while transaction counts have risen in each of them. Daily active addresses averaged 63,442, down 10.2% from Q1. Address counts and asset growth are not expected to track each other closely on this network, because tokenized Treasuries and similar instruments are bought and held rather than transacted daily.

SECTION 02

Financials

Stellar is a network supported by a nonprofit foundation, and its financial picture should be read that way. The Stellar Development Foundation exists to grow a network that is open to everyone, and there is no protocol revenue in the sense that a fee-capturing application has revenue.

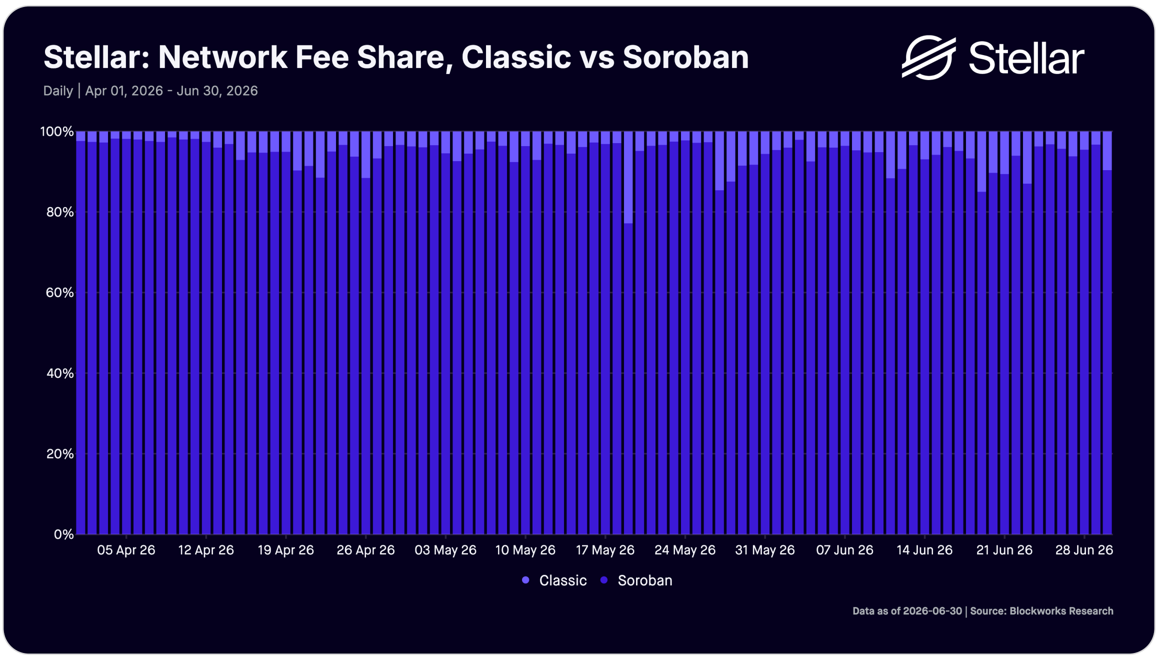
Total transaction fees for Q2 2026 were $90,440, equivalent to 507,780 XLM, averaging $994 per day. That is a decline of 18.2% from Q1's $110,519, and it extends a four-quarter contraction from $553,931 in Q3 2025, through $268,161 in Q4 2025 and $110,519 in Q1 2026. Against 444.5 million transactions in the quarter, the implied average fee was roughly $0.0002.



Stellar: Network Transaction Fees. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

The decline is a product decision with a specific mechanism behind it. Whisk, Protocol 23, was activated to restructure rent and read costs so that contract execution became materially cheaper. Alongside it, Stellar's soroban limit parameters cap the resources a single transaction can consume, which holds per-transaction cost down as usage grows. Fees have fallen in every quarter since Whisk went live, while transaction counts have risen in each of those quarters. Cheap access is the objective. The fee line is where it's demonstrated.

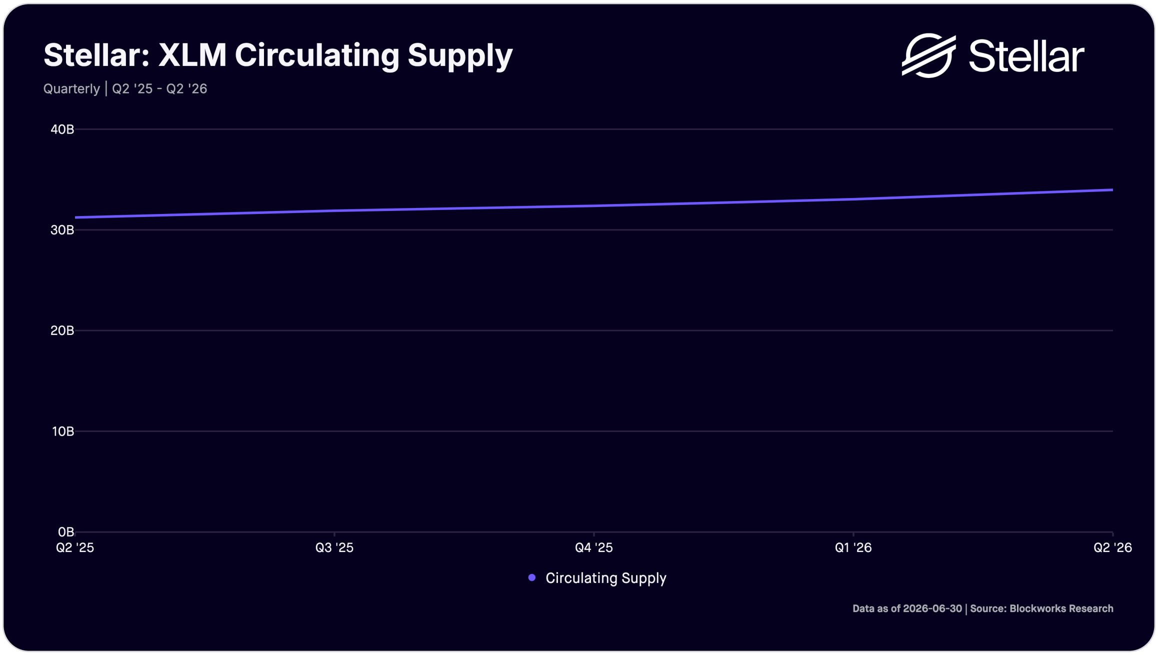
The composition of those fees is the more informative figure. Soroban accounted for 94.4% of network fees in Q2 while handling 41.3% of transactions. Contract execution consumes metered resources, meaning instructions, ledger reads and writes, and rent for persistent state, where classic payment operations pay a flat base fee. As contract activity grows as a share of the network, fees concentrate there, and classic payments contribute very little to the pool.



Stellar: Network Fee Share, Classic vs Soroban. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Stellar's transaction fees collect in a locked fee pool. They are not burned, not distributed to validators, and not spendable by the Foundation. There is no staking yield, because the Stellar Consensus Protocol is not proof-of-stake, and there is no buyback or burn mechanism. Fees accumulate outside circulation.

XLM circulating supply closed the quarter at 33.98 billion, up 2.8% from 33.04 billion at the end of Q1. Stellar removed its inflation mechanism by community protocol upgrade in 2019, so the increase is distribution from Foundation-held balances rather than new issuance. Either way, 0.93 billion additional XLM reached the market during the quarter, and the proportional claim of existing holders fell accordingly. Q2 was the fastest quarter of distribution in the past year, ahead of 0.66 billion in Q1 and 0.48 billion in Q4 2025.



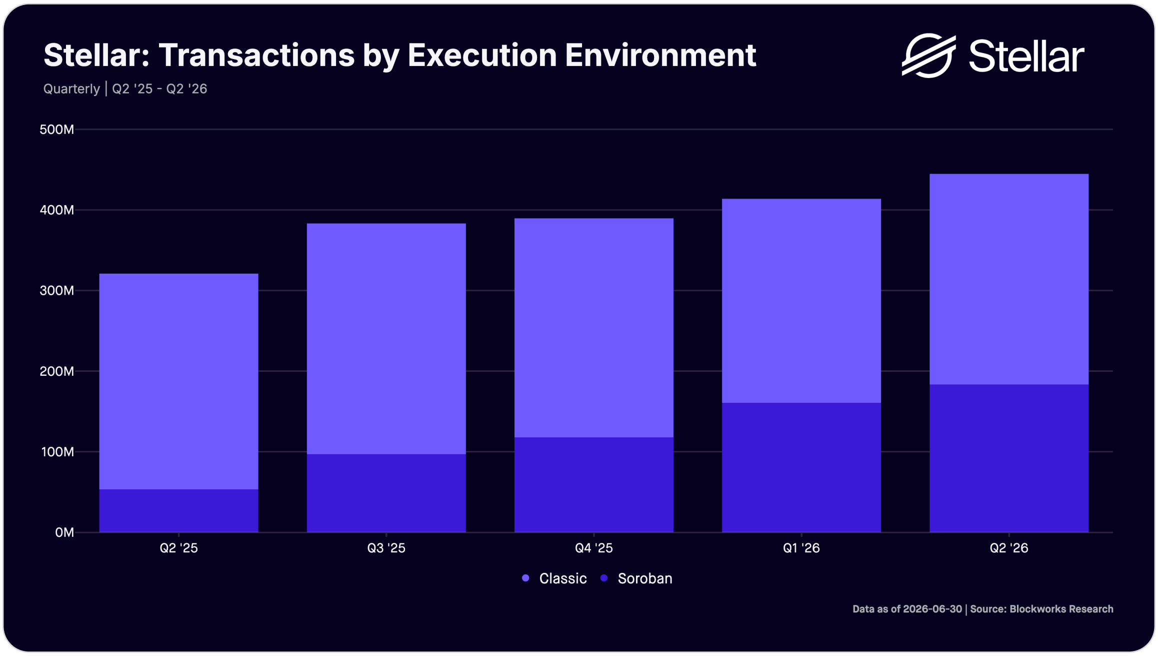
Stellar: XLM Circulating Supply. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

The Foundation's position is disclosed onchain across labeled accounts covering development, ecosystem growth, product and innovation, and assets and liquidity. Deducting circulating supply, the locked fee pool, and the upgrade reserve from the 50.00 billion total leaves approximately 15.76 billion XLM in SDF mandate accounts at June 30, equal to 46% of circulating supply and 32% of total supply. At the Q2 distribution rate that balance represents several years of potential supply. The holdings are large, identifiable, and publicly trackable. Scale and transparency are separate facts about them.

SECTION 03

Network Activity & Payments

Stellar processed 444.5 million transactions in Q2 2026, up 7.4% from Q1, averaging 4.89 million per day. The share that failed fell to 26.0%, a fourth consecutive quarterly improvement from 36.0% in Q3 2025. Operations grew faster, reaching 1.10 billion, up 29.4% quarter over quarter. Operations are the unit of user intent, since each one is a discrete instruction a sender asked the network to carry out, while resource utilization is the under-the-hood quantity that sets what a transaction costs.



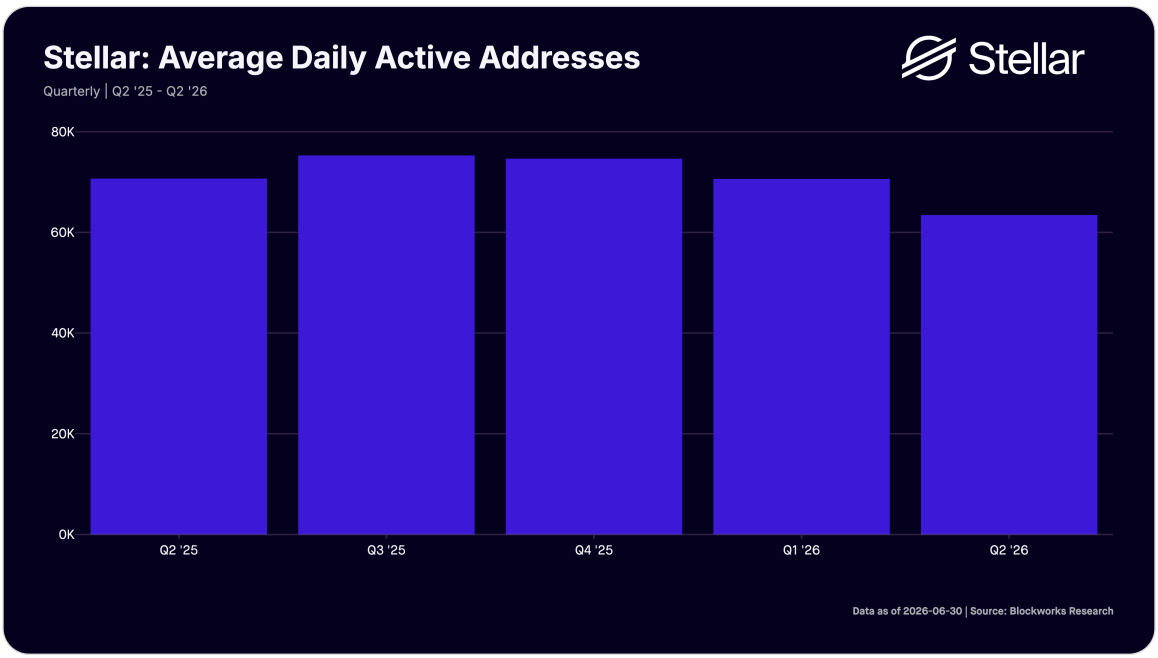
Stellar: Transactions by Execution Environment. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

The rise in operations per transaction came entirely from the classic side of the ledger. Classic transactions carried 3.50 operations each in Q2 against 2.72 in Q1, a 29% increase on a classic transaction count that grew only 3.1%. Soroban transactions carry exactly one operation each, in this quarter and every prior one.

Senders, meaning developers and applications, package multiple operations into a single classic transaction envelope before submitting it, and they did more of that this quarter. Because a Soroban envelope carries one operation regardless of how much computation it performs, operation counts cannot be used to compare the scale of work in the two environments.

Address activity declined. Daily active addresses averaged 63,442 in Q2 against 70,632 in Q1, down 10.2%, and below the 75,283 of Q3 2025, the high of the five-quarter window.

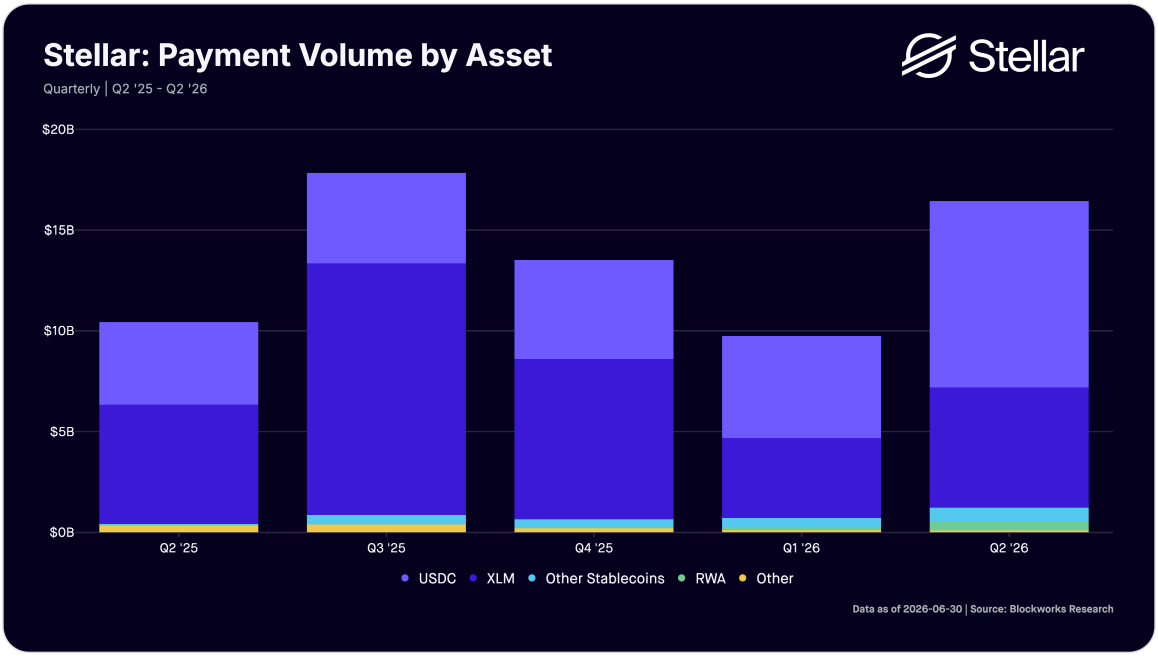
Daily address counts measure participants who transact on a given day, which is a poor proxy for holdings in assets that are bought and held. Tokenized Treasuries, corporate credit, and similar instruments generate little recurring transaction activity by design. Asset growth and daily address counts are therefore not expected to move together on this network, and the gap between them this quarter should not be read as either confirming or contradicting the other.



Stellar: Average Daily Active Addresses. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

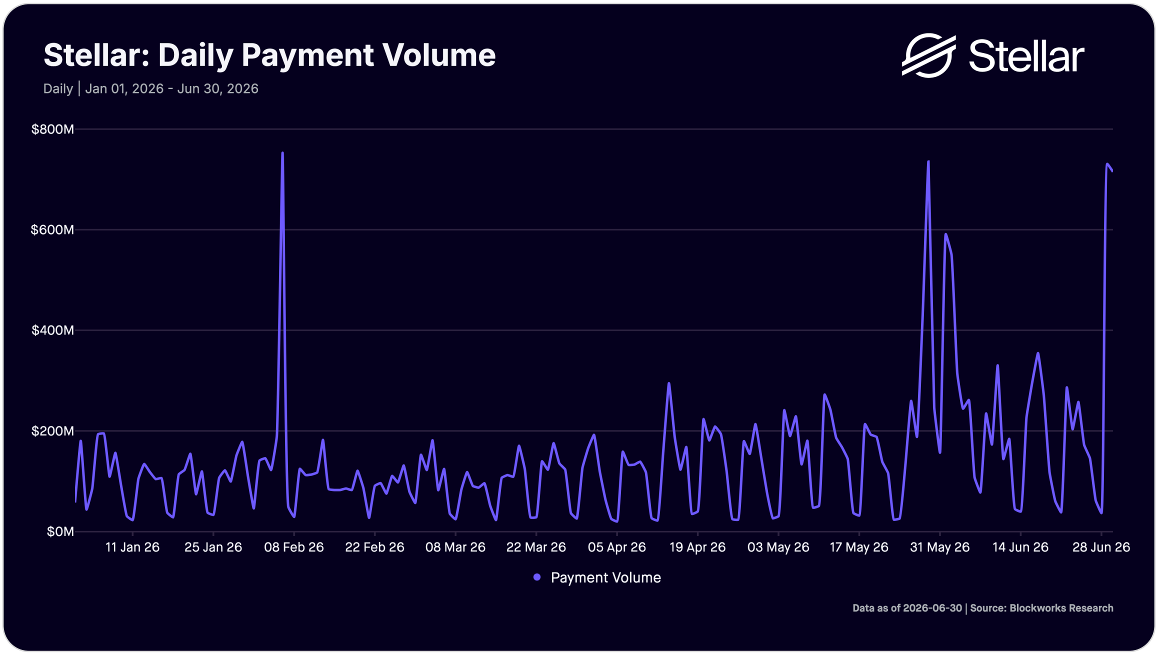
Payment volume recovered to $16.43 billion, up 68.8% from $9.73 billion in Q1. USDC carried 56.3% of that volume, XLM 36.3%, other stablecoins 4.2%, tokenized real-world asset transfers 2.7%, and all remaining assets 0.6%.

The distribution matters more than the total. Median daily payment volume was $159 million while the mean was $181 million and the single largest day reached $735 million. Three days account for a disproportionate share of the quarter. On May 29 the network settled $735 million, of which $401 million was tokenized real-world asset transfers, a single institutional settlement rather than recurring throughput. On June 29 and June 30, volumes of $731 million and $715 million were almost entirely USDC. Underneath those spikes the network ran a stable base of roughly $150 million to $180 million a day, and that base is the better guide to what recurs.



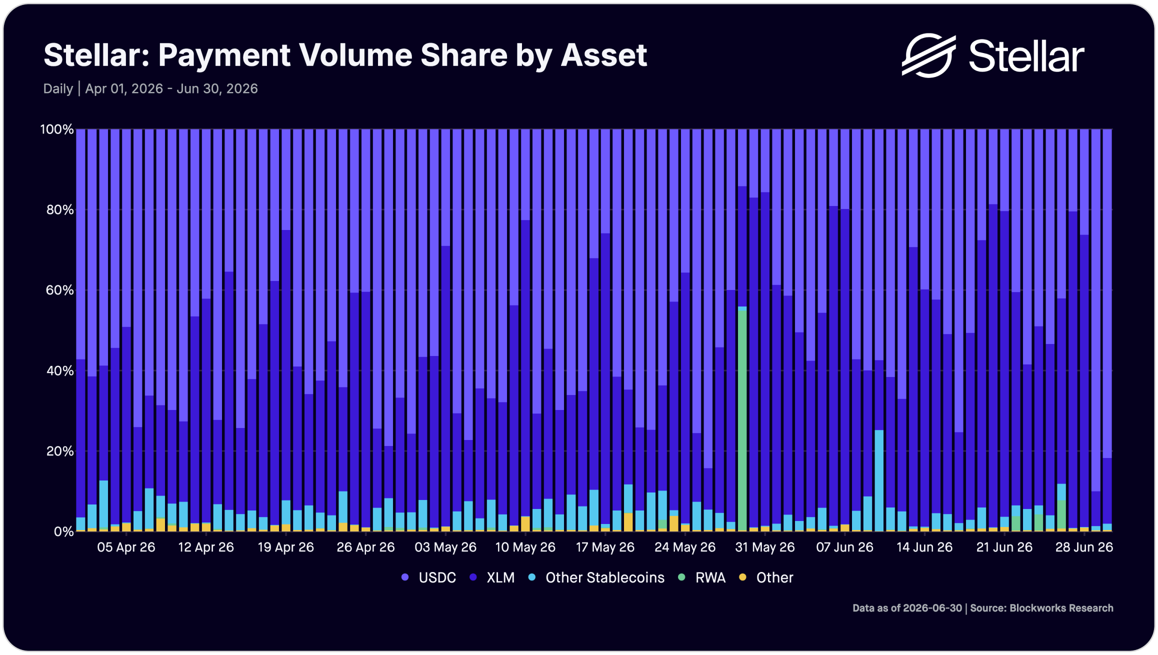
Stellar: Payment Volume by Asset. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

Disbursements through the Stellar Disbursement Platform totaled $0.6 million for the quarter across 2,050 payments. These are programmatic aid and remittance flows, and they are reported separately from organic payment activity rather than blended into it.



Stellar: Daily Payment Volume. Daily | Jan 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Stellar's stablecoin throughput can be measured two ways, and the answers differ by more than a factor of two, so the basis matters whenever the figure is quoted. Counting payment operations, which is what a user would recognize as sending money, stablecoin volume was $9.93 billion in Q2, up 80.2% quarter over quarter. Counting every stablecoin transfer across all operation types, including DEX trades and contract movements that are not user payments, the Foundation reports $11.4 billion, up 72%. This report uses the payment-operation figure throughout, because it corresponds to economic settlement rather than internal contract mechanics.



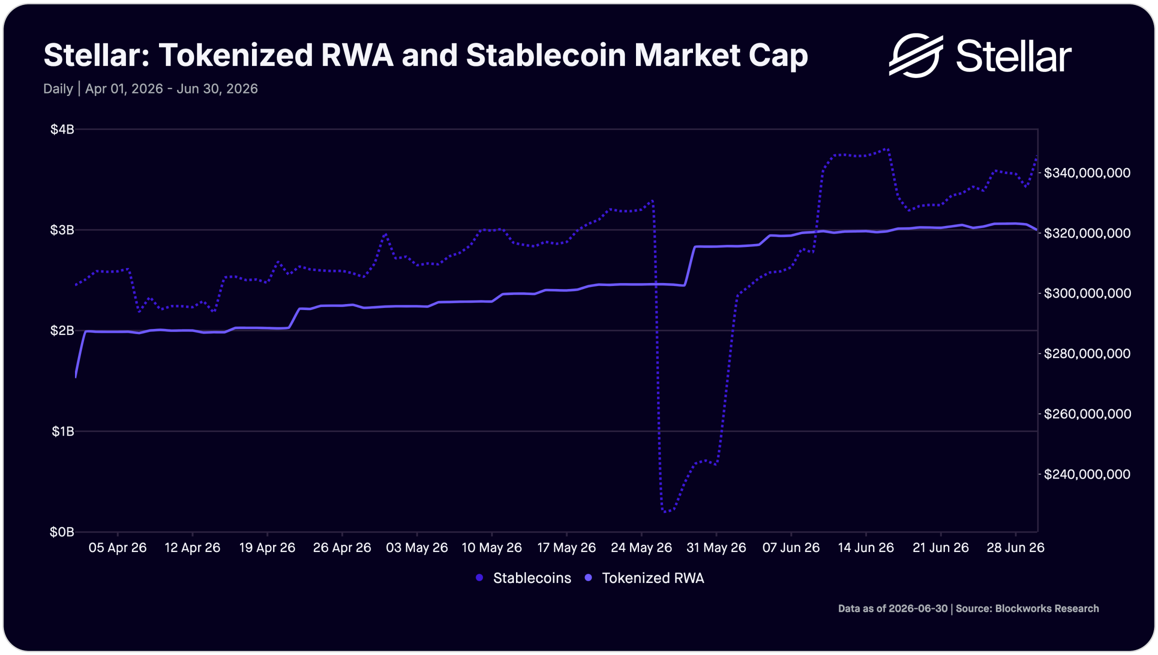
Stellar: Payment Volume Share by Asset. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

SECTION 04

Tokenized Assets & Stablecoins

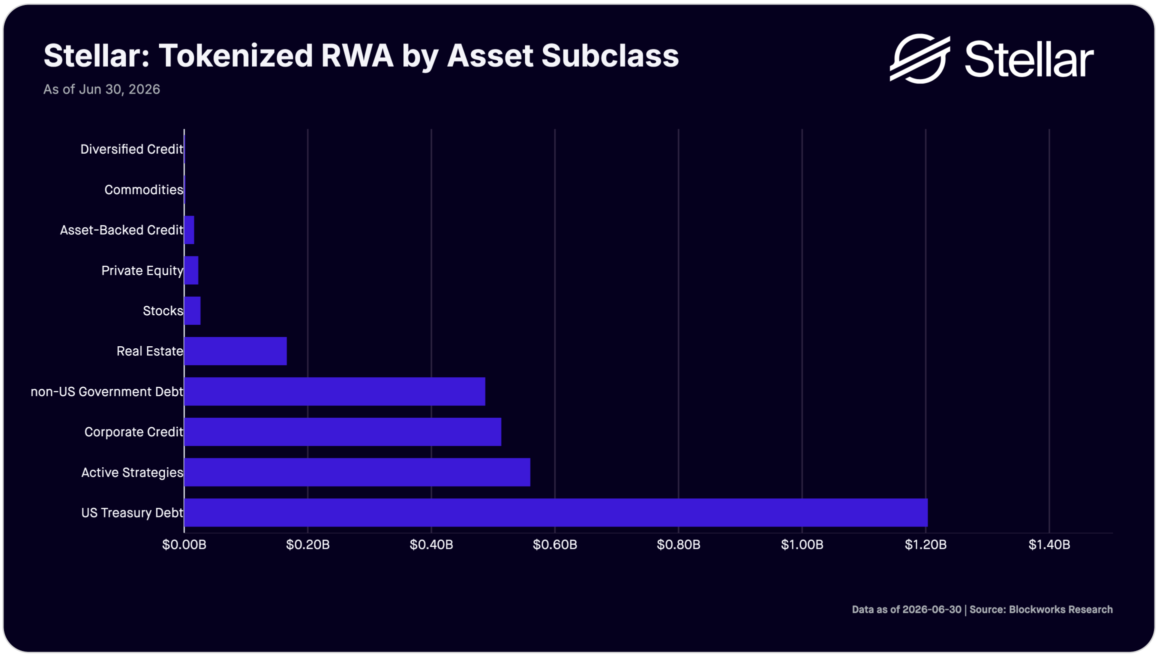
Real-world assets

Tokenized real-world assets on Stellar closed Q2 2026 at $3.00 billion, up 100.0% from $1.50 billion at the end of Q1. Over five quarters the total grew roughly sixfold, from $493 million at the end of Q2 2025. The network crossed $1 billion in January, $2 billion in April, and $3 billion in June. The pace is the notable part, not the level. Every figure in this section counts tokenized real-world assets and excludes stablecoins.



Stellar: Tokenized RWA and Stablecoin Market Cap. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

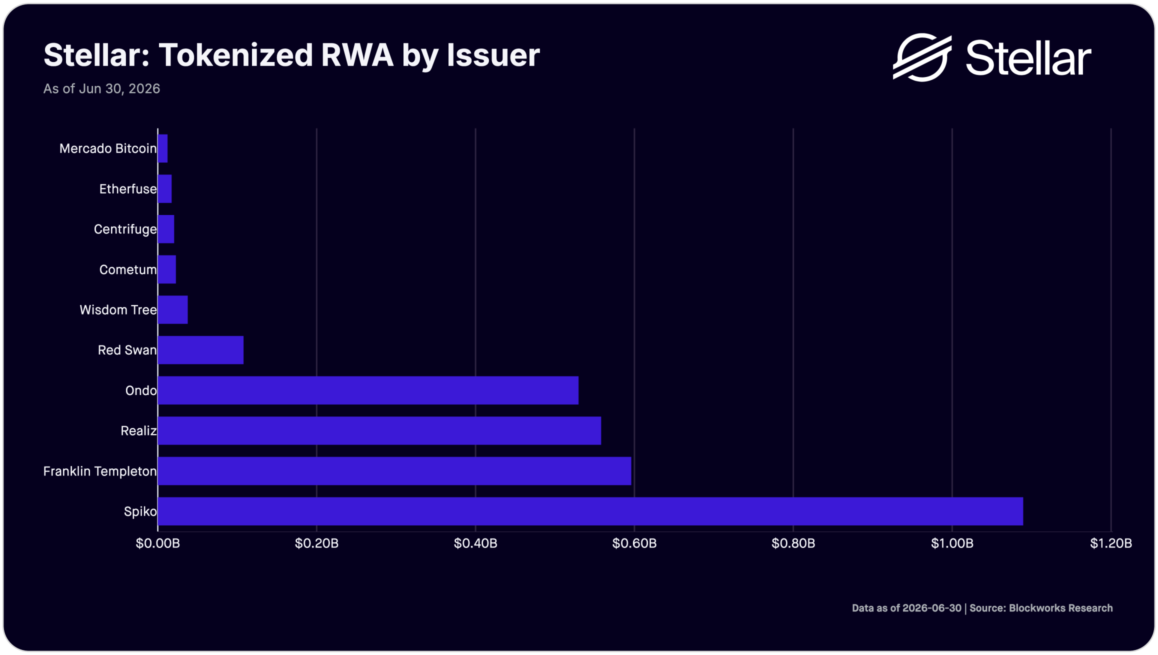
By asset class at quarter close, US Treasury debt is the anchor at $1,203 million across 16 instruments. Active strategies follow at $560 million across 6, corporate credit at $513 million across 4, and non-US government debt at $487 million across 6. Real estate accounts for $166 million across 18 instruments and tokenized stocks $26 million across 6. Four smaller classes hold the remaining $42 million between them: private equity at $23 million, asset-backed credit at $16 million, and commodities and diversified credit at under $2 million each. The concentration in government and corporate fixed income is what makes the DTCC scope, which centers on Treasuries and index constituents, a natural extension of what is already there.



Stellar: Tokenized RWA by Asset Subclass. As of Jun 30, 2026. Source: Blockworks Advisory

Composition above is a single-quarter position, not a trend. The subclass taxonomy was recut twice during the past year, and categories split rather than renamed, so subclass balances are not comparable across quarters even though the totals are.

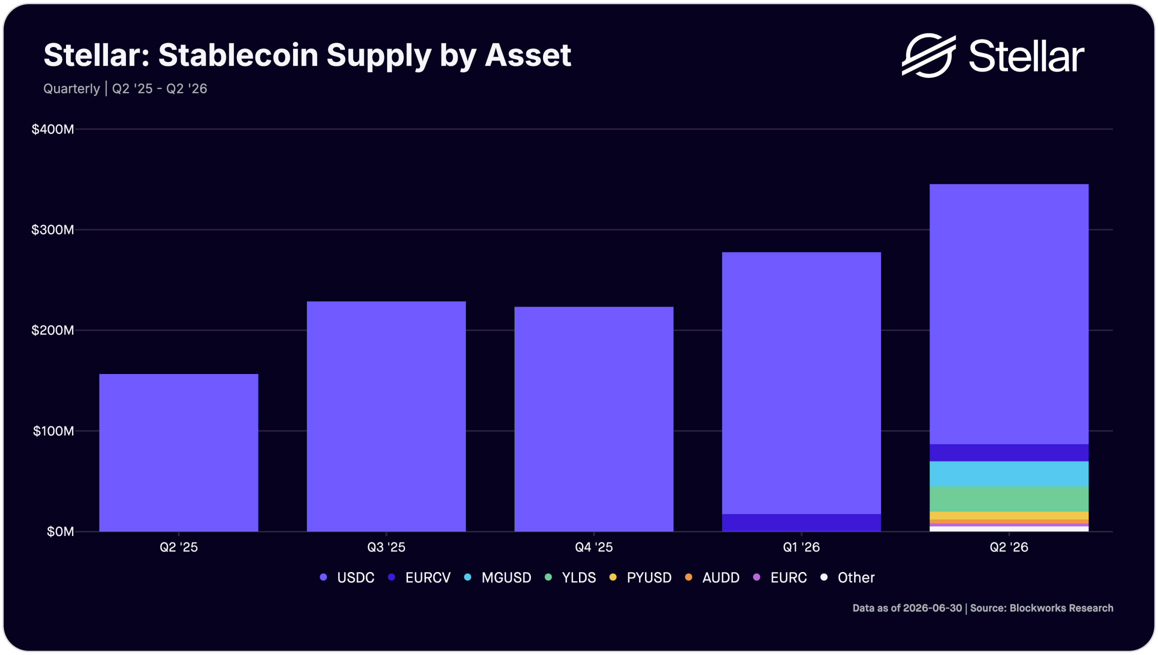
Issuer concentration is the risk that deserves naming. Thirteen issuers held tokenized assets on Stellar at quarter close. The top four held 92.5% of the total. Spiko accounted for $1,089 million, or 36.3%, across 9 instruments. Franklin Templeton held $596 million (19.9%) across 4, Realiz $558 million (18.6%) across 3, and Ondo $530 million (17.7%) in a single instrument. Ranked by issuer, Franklin Templeton is second to Spiko. Ranked by individual asset, Franklin Templeton's BENJI sits behind Ondo's USDY, so descriptions of BENJI as the largest or second-largest tokenized asset on Stellar depend on which of those two bases is meant. The practical implication is that the headline figure is presently a function of four issuers' commercial decisions, and the migration of any one of them would be visible in the total immediately.



Stellar: Tokenized RWA by Issuer. As of Jun 30, 2026. Source: Blockworks Advisory

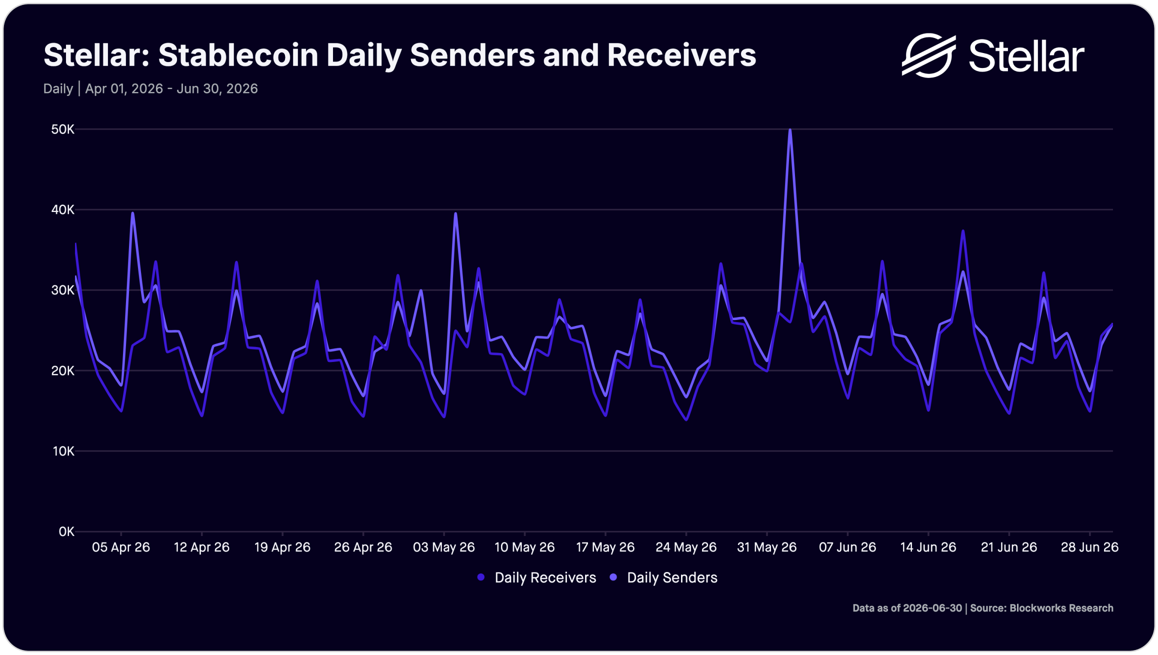
Stablecoins and wrappers

Stablecoin balances closed Q2 at $346 million, up 16.0% from $298 million at the end of Q1. USDC dominates at $258 million held across 643,185 accounts. Two issuances are new this quarter: MoneyGram's MGUSD at $25.0 million across 4 holding accounts, and Figure's YLDS at $25.0 million across 7. Supply in both sits with issuers rather than distributed users. Holder counts would need to rise before those balances represent retail circulation. Among the established issuances, SG Forge's EURCV held $17.1 million, PYUSD $7.9 million, Novatti's AUDD $3.8 million, and Circle's EURC $3.1 million across 4,582 accounts.



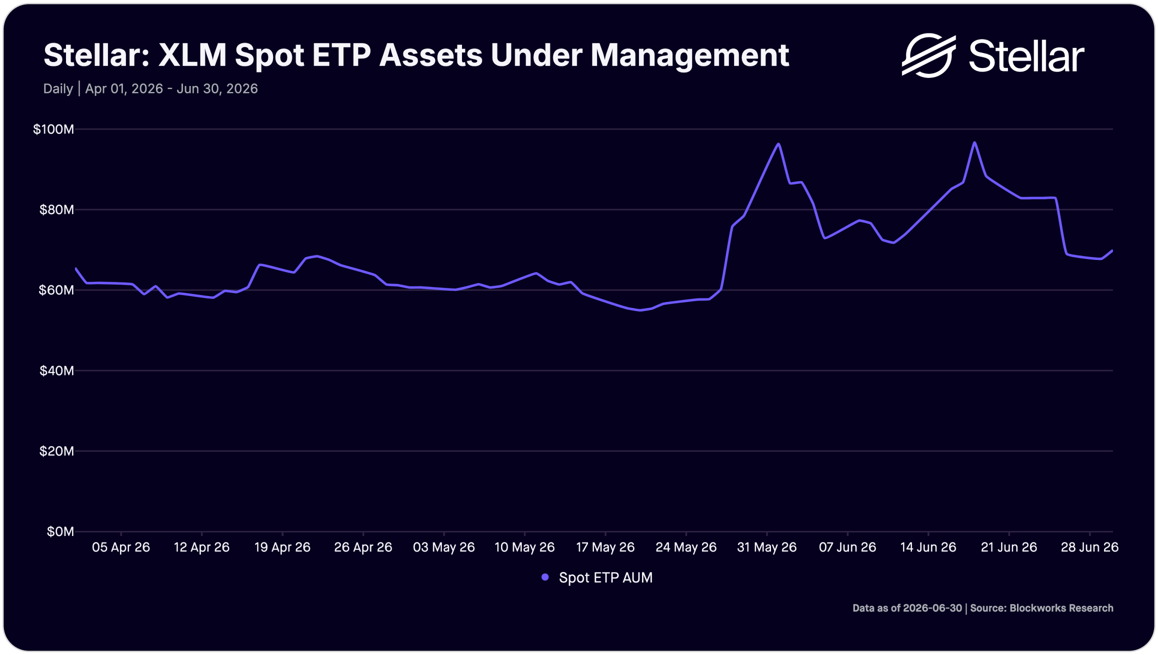
Stellar: Stablecoin Supply by Asset. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

Stablecoin participation was flat. Daily senders averaged 24,331 in Q2 against 24,442 in Q1, and daily receivers 22,484 against 22,357, both within a percentage point of the prior quarter. These counts cover classic Stellar accounts only; activity held in contracts, liquidity pools, and claimable balances is excluded. Set against 16.0% balance growth and 80.2% growth in stablecoin payment volume, the same number of participants moved more value.



Stellar: Stablecoin Daily Senders and Receivers. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Regulated wrapper exposure remains small. Four spot exchange-traded products referencing XLM held $69.9 million at quarter close, taking in $2.2 million of net inflows against effectively flat flows in Q1. The category is immaterial to the network's economics at this size.



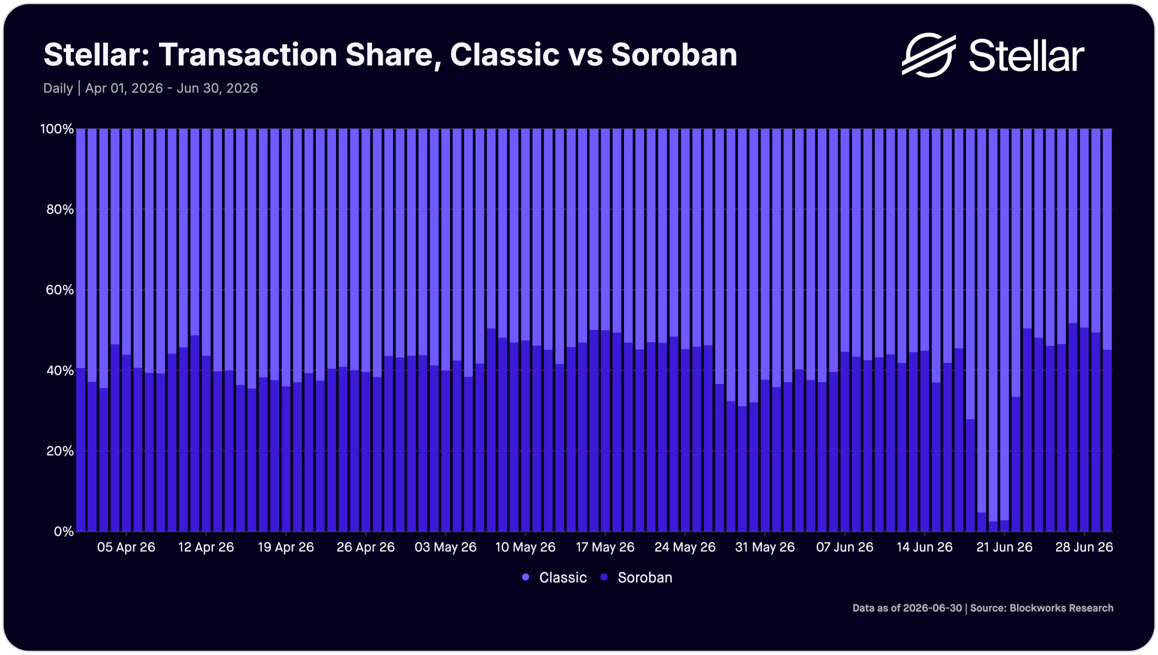
Stellar: XLM Spot ETP Assets Under Management. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

SECTION 05

Protocol Analysis

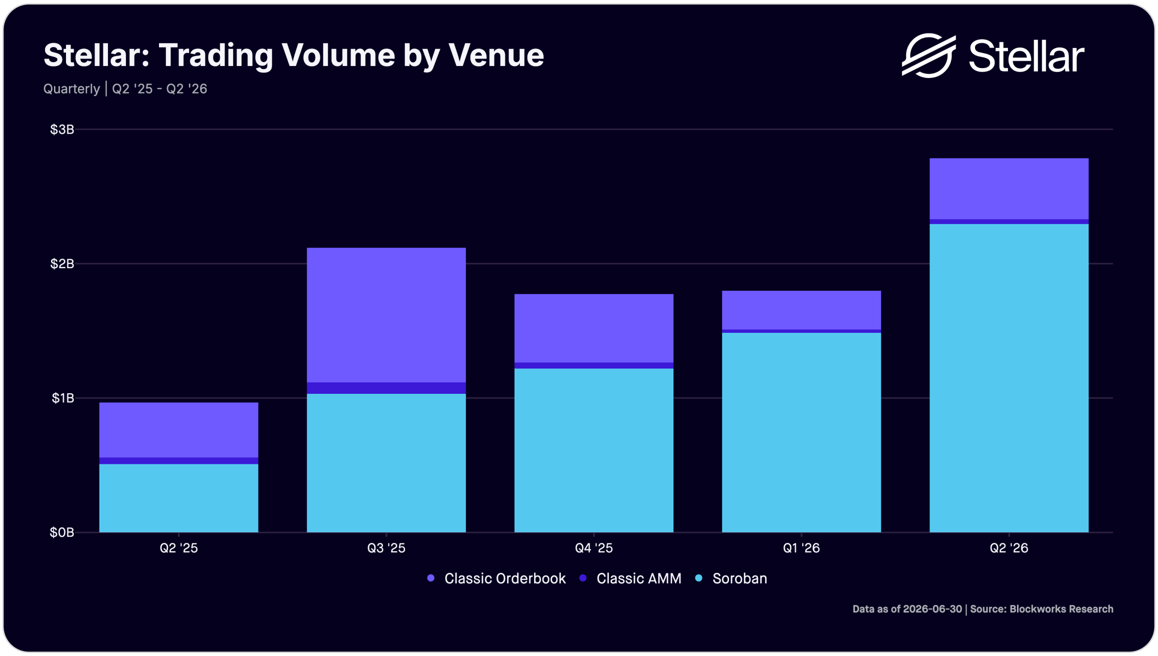
Platform migration

The clearest structural trend on Stellar is the growth of Soroban contract execution alongside classic payment operations. Both run on the same ledger and are secured by the same validators. Soroban handled 41.3% of all network transactions in Q2, up from 38.8% in Q1 and 25.3% in Q3 2025. The growth differential drives the mix: Soroban transactions rose 14.3% quarter over quarter while classic transactions rose 3.1%. On economic measures the shift is further along than the transaction count suggests, with Soroban carrying 94.4% of network fees and 82.4% of onchain trading volume.



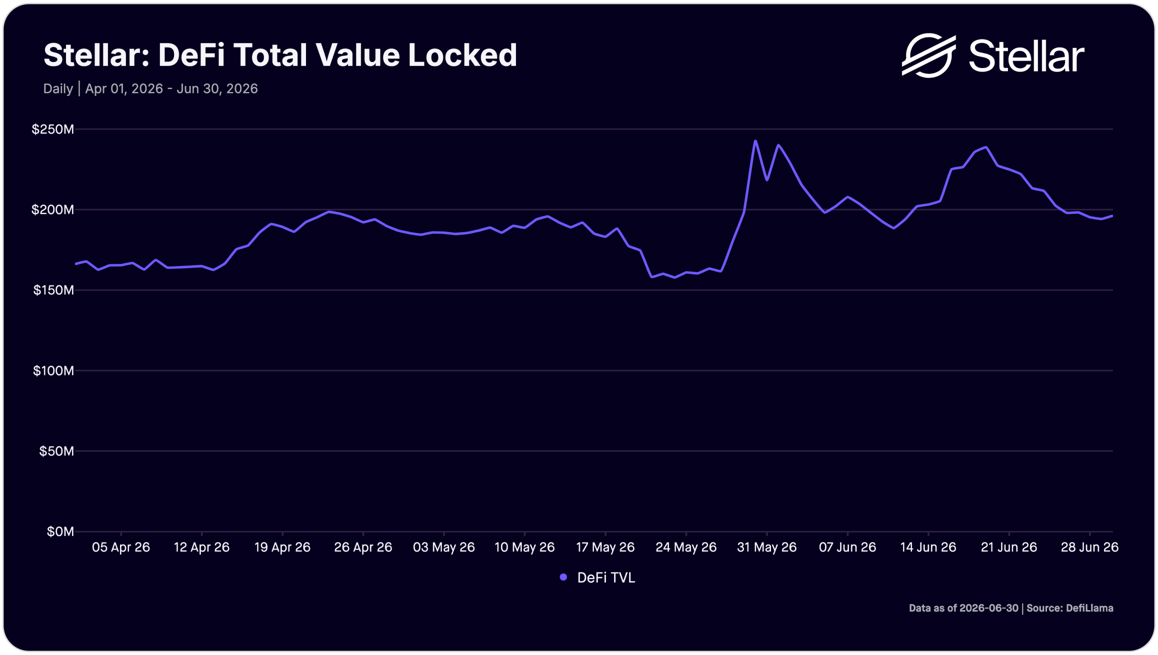
Stellar: Transaction Share, Classic vs Soroban. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Onchain trading volume totaled $2.78 billion in Q2, up 54.8% from $1.80 billion in Q1. Soroban venues carried $2.29 billion of that, the classic orderbook $454 million, and classic automated market maker pools $36 million. Trade count grew faster still, reaching 63.8 million against 37.3 million in Q1.



Stellar: Trading Volume by Venue. Quarterly | Q2 '25 - Q2 '26. Source: Blockworks Advisory

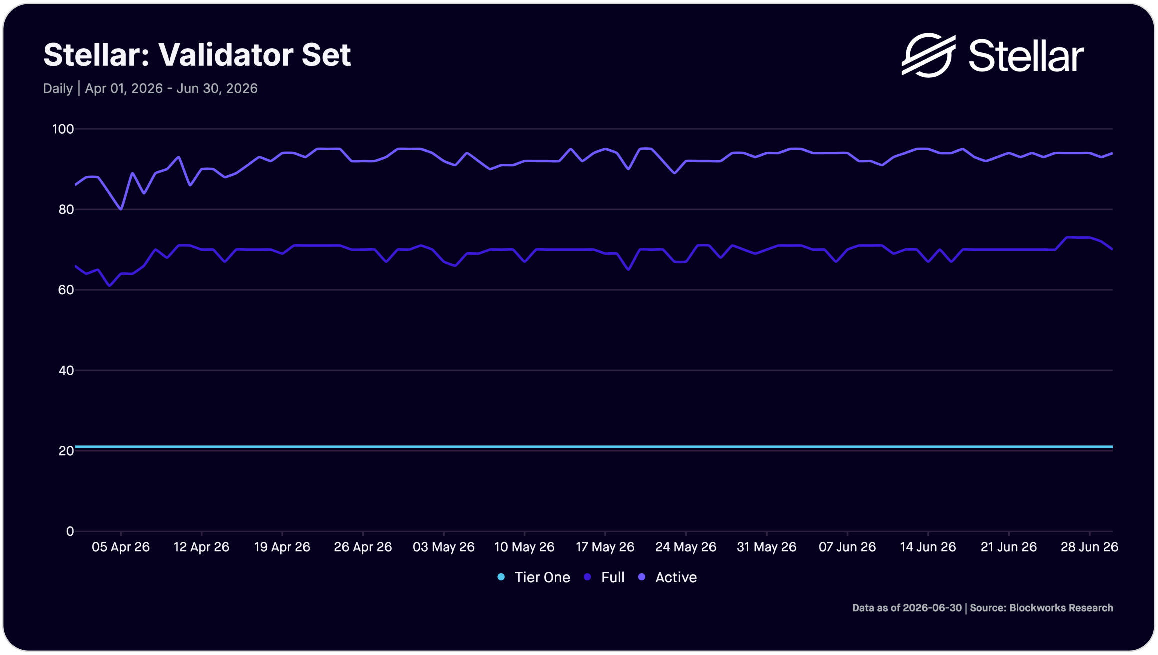
DeFi total value locked closed the quarter at $196 million, up 18.4% from $166 million at the end of Q1. The intra-quarter path was not smooth. TVL peaked at $243 million on May 30 before retracing, and touched a low of $158 million on May 23.



Stellar: DeFi Total Value Locked. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Consensus and security

The validator set expanded over the quarter, from 87 active validators at the close of Q1 to 94 at the close of Q2. The categories are nested, not additive. Of the 94 active validators at quarter close, 70 were full validators that also publish history archives, and 21 of those sat in the tier-one quorum set that anchors network consensus. Set alongside the Foundation's publicly labeled mandate accounts, this is the concrete material for assessing decentralization: the validator count is growing, tier-one membership is small and identifiable, and Foundation holdings are trackable. Stellar's consensus does not use stake weighting, so validator influence is a function of quorum configuration rather than token holdings.



Stellar: Validator Set. Daily | Apr 01, 2026 - Jun 30, 2026. Source: Blockworks Advisory

Protocol 26, “Yardstick,” reached mainnet on May 6, 2026 following an April 16 testnet deployment. Its headline capability, CAP-77 Quorum Freeze, is the first protocol-native onchain account freeze mechanism on a major layer 1, allowing validators to freeze compromised ledger keys through federated consensus within minutes rather than hours. It answers a pattern of exploits across the industry, where the absence of formalized emergency tooling forced ad-hoc coordination. A February 2026 DeFi exploit on Stellar was one of the incidents that informed it. Yardstick also added checked 256-bit arithmetic to prevent overflow in financial calculations, lower-cost BN254 cryptographic operations to support zero-knowledge applications, and Stellar Asset Contract improvements.

Protocol 27, “Zipper,” entered testnet on June 18. Two features arrive through CAP-71. Authentication delegation lets custom smart contract accounts delegate authentication logic to other addresses, and address-bound Soroban credentials bind an authorization payload to the address it was signed for, preventing cross-account signature replay. Zipper passed its mainnet vote and activated on July 8, 2026, shortly after the quarter closed. Stellar recorded no core protocol security incidents in Q2 and maintained uptime above 99.99%.

SECTION 06

Product & Ecosystem Updates

Institutional infrastructure

The DTCC selection announced on May 27 is the quarter's most consequential development. DTCC and the Stellar Development Foundation will evaluate tokenization use cases across Russell 1000 constituents, ETFs tracking major indices, and US Treasury bills, bonds, and notes, with availability targeted for the first half of 2027. The arrangement was enabled by a no-action letter the Depository Trust Company received from the SEC in December 2025. Under the announced design, DTC retains the authoritative legal record while Stellar hosts a synchronized onchain representation.

Bermuda selected Stellar during the quarter to support its plan to operate as a fully onchain national economy, extending the regulated-issuance pattern from asset classes to a sovereign context.

Products shipped

MoneyGram launched MGUSD, a regulated digital dollar reaching a cash network serving more than 60 million customers. Stellar is the exclusive network for both the MoneyGram wallet and the MGUSD stablecoin, and 2026 marks five years since MoneyGram's cash ramps first went live on Stellar. MoneyGram joined Stellar's tier-one validator set on July 16, alongside Figure Markets and Range, deepening its operational commitment to the network.

On agentic payments, Stellar shipped the x402 specification and SDK and joined the x402 Foundation with a board seat, and delivered a full Multi-Party Payments SDK within a week of the Stripe and Tempo announcement. Circle's CCTP is live on the network connecting 23 chains.

Two forward-looking items reached preview rather than production. The Confidential Tokens developer preview was released on June 29, allowing any SEP-41 token to hold private balances and transfer amounts using Noir-based zero-knowledge proofs while keeping sender and recipient addresses visible for compliance. It runs on testnet and is not approved for mainnet. On June 9, the Foundation published a Quantum Preparedness Plan setting out a three-stage path to post-quantum security, beginning with post-quantum verification in Soroban contracts before protocol-level integration.

Ecosystem

Developer activity was the standout ecosystem measure. Stellar reached 2,968 monthly active developers as of June 30, an all-time high and up 125% year over year, ranking second globally on that measure. Growth concentrated in Nigeria, India, Turkey, and Brazil. Stellar Community Fund rounds 42 and 43 committed $5.5 million across 55 companies.

Regional distribution advanced on several fronts: MGUSD, YLDS, and Stellar House Mexico City in Latin America; AllUnity's EURAU and Cashlink in Europe; and Matrixdock, Bitkub, Ant Digital's TopNod, Kenanga, and Marketnode across APAC. Meridian 2026 is scheduled for Lisbon on October 28 and 29.

SECTION 07

Closing Summary

07

Stellar closes Q2 2026 with its strongest institutional validation to date. Tokenized real-world assets doubled to $3.00 billion, payment volume recovered 68.8% to $16.43 billion, stablecoin balances grew 16.0%, developer activity hit an all-time high, and the network shipped a mainnet upgrade on schedule with a second following in July. DTCC's selection puts the core of US market infrastructure on a path toward the network under an existing regulatory accommodation.

The tokenholder question is separate from the adoption question, and it turns on mechanics that have not changed. Fees collect in a locked pool that cannot be spent or distributed. There is no staking yield, no burn, and no buyback. Network fees fell 18.2% to $90,440 and have declined every quarter since the Whisk upgrade restructured resource pricing, which is the intended result of making the network cheaper to use. Adoption of the network and accrual to the asset are governed by different mechanisms.

Participation narrowed while value grew. Daily active addresses fell 10.2%, while stablecoin senders and receivers held flat and the value they moved rose sharply. For assets that are bought and held, that combination is expected rather than contradictory, but it does mean this quarter's growth came through a smaller set of transacting participants.

Three things would further validate growth in Q3. First, a firmed DTCC implementation timeline ahead of the H1 2027 target. Second, issuer diversification in the RWA base, where four issuers hold 92.5% of $3.00 billion and Spiko alone holds 36.3%; growth from a fifth and sixth issuer of scale would make the total more durable than growth from the existing four. Third, distribution of the newer stablecoins, where MGUSD and YLDS each hold $25.0 million across single-digit account counts and will only represent circulation once holder counts rise.

Protocol 27 activated on mainnet on July 8, holding the one-upgrade-per-quarter cadence intact, and Meridian in Lisbon at the end of October gives the Foundation a natural forum for the next set of commitments. The growth of Soroban, now 41.3% of transactions and the large majority of fees and trading volume, is the structural change most likely to determine what Stellar's growth looks like a year from now.