Stellar (XLM)

Quarterly Report

This research report has been funded by Stellar Development Foundation. By providing this disclosure, we aim to ensure that the information reported in this document is conducted with objectivity and transparency.

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Q3 2026

Blockworks Advisory

Table of Contents

02 Executive Summary

04 Management Commentary

05 Financials

09 Network Activity & Payments

14 Tokenized Assets & Stablecoins

20 Protocol Analysis

24 Product & Ecosystem Updates

26 Closing Summary

SECTION 01

Executive Summary

Stellar's tokenized real-world asset base broadened beyond its early issuers in Q3 2026, growing 36.7% to pass $4 billion in September as newcomers contributed a meaningful share of the increase. Tradable began delivering on a commitment to bring up to $1 billion in private credit to Stellar, ranking among the network's five largest issuers within three weeks, while a State Street liquidity fund tokenized by Galaxy went live in the quarter's final days. The four largest issuers now hold 81.2% of the total, down from 92.5% in June, leaving the base broader and more diverse than a quarter ago. The DTCC selection announced in May remains unchanged, with tokenized DTC-custodied assets targeted for the first half of 2027.

Payments grew faster, with volume rising 77.9% to $29 billion as dollar settlement expanded. USDC alone carried 76.5% of that volume, while stablecoins together accounted for 79.7%, up from 60.4% in Q2. The increase rested on a stronger daily base rather than a few large days, with median daily volume up 101% from Q2, a pattern consistent with recurring use rather than one-off flows. Stablecoin balances grew 43.6% as the range of dollar instruments expanded. USDT0 arrived in September as a single Tether supply shared across networks, while U.S. Bank completed a live cross-border pilot between its own entities using its USBDC stablecoin.

More activity also moved through Stellar smart contracts (Soroban), which run alongside classic payment operations on the same ledger. Soroban handled 42.9% of transactions, up from 41.3%, and paid 96.0% of network fees. Value locked in DeFi reached a new high in late September, alongside two mainnet protocol upgrades during the quarter, Zipper in July and Adapter in September, followed by a security release on October 1st. MoneyGram, Figure Markets, and Range added nine full validators to the tier-one quorum set, giving organizations that issue and move money on Stellar a role in securing it. Across the network, transactions grew and failures fell for a fourth consecutive quarter, while daily active addresses rose for the first time in four quarters.

For XLM holders, network fees rose for the first time since the Whisk upgrade restructured resource pricing in September 2025, even as the mechanics governing value accrual remained unchanged. Higher fees came from more demanding contract execution, with resource pricing unchanged. Those fees continue to accumulate in a locked pool that no party can spend, with no burn, staking yield, or distribution. Network adoption and value accrual to XLM remain governed by different mechanisms, but this quarter's adoption gains were substantial, with new issuers, dollar flows, and validators already live on the network.

SECTION 02

Management Commentary

The growth we're seeing on the Stellar network reflects a broader shift in how institutions are adopting blockchain infrastructure today. Institutions are becoming increasingly intentional about where they issue assets, how they reach their users and how they integrate blockchain into their existing financial operations. The caliber of organizations coming onto the Stellar network, from global asset managers to market infrastructure providers, speaks to the growing relevance of open networks in the evolution of these financial markets. This shift is all about building the next generation of financial products and services that truly scale.

What's exciting about this growth we're seeing is it is happening across various verticals on the network, not just in one particular area. With RWA market cap growing over 6x over the past year, stablecoin transfer volume more than doubling and Stellar emerging as a leading network for tokenized non-U.S. government debt, we're seeing meaningful momentum across multiple areas of financial activity. The scale of adoption is notable, with new issuers reaching hundreds of millions in assets and established institutions continuing to expand their presence on the network. The market is moving beyond experimentation and toward regularly putting this infrastructure to work in real financial activity.

As these pieces continue to come together, the value of the ecosystem compounds. We're moving into a much bigger chapter, with the Stellar network becoming an increasingly important layer in how financial assets and money move around the world.

Denelle Dixon

CEO & Executive Director

Stellar Development Foundation

SECTION 03

Financials

Stellar is a network supported by a nonprofit foundation, and its financial picture should be read on that basis. The Stellar Development Foundation exists to support a network that is open to everyone. Transaction fees are not revenue to the Foundation, to validators, or to any other party.

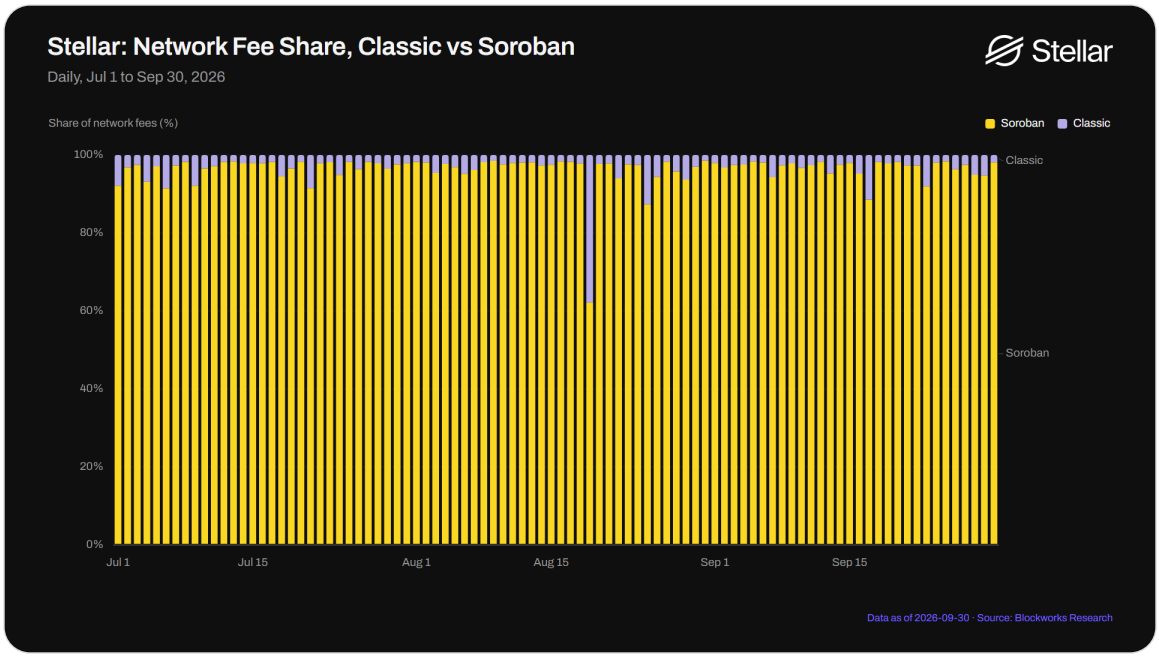
Total transaction fees in Q3 2026 were $124,975, equivalent to 674,996 XLM, or an average of $1,358 per day, up 38.2% in dollar terms and 32.9% in XLM from Q2's $90,440 and 507,780 XLM. Over the past year, fees and network activity have moved independently. The resource pricing introduced with the Whisk upgrade in September 2025 lowered the average fee per transaction from $0.0014 in Q3 2025 to roughly $0.0003, so quarterly fees moved from $553,931 to $124,975 while transactions rose 20.6% to 462.0 million and successful transactions rose 45.8% to 357.8 million. Fees therefore reflect the resources transactions consumed rather than how much the network was used.



Stellar: Network Transaction Fees. Source: Blockworks

Soroban's 198.4 million transactions in Q3 made more demanding contract calls, which consumed more compute, ledger reads and writes, and persistent storage and pushed the fee per transaction from 0.0026 XLM to 0.0033 XLM. Soroban transactions paid $120,019 in fees, of which $116,229 covered resource fees for that execution. Within resource fees, rent on persistent contract state was $30,596, up 47.2% from Q2, growing faster than the fees for compute and ledger access. Classic transactions, which pay a flat base fee per operation, contributed an almost unchanged $4,956.

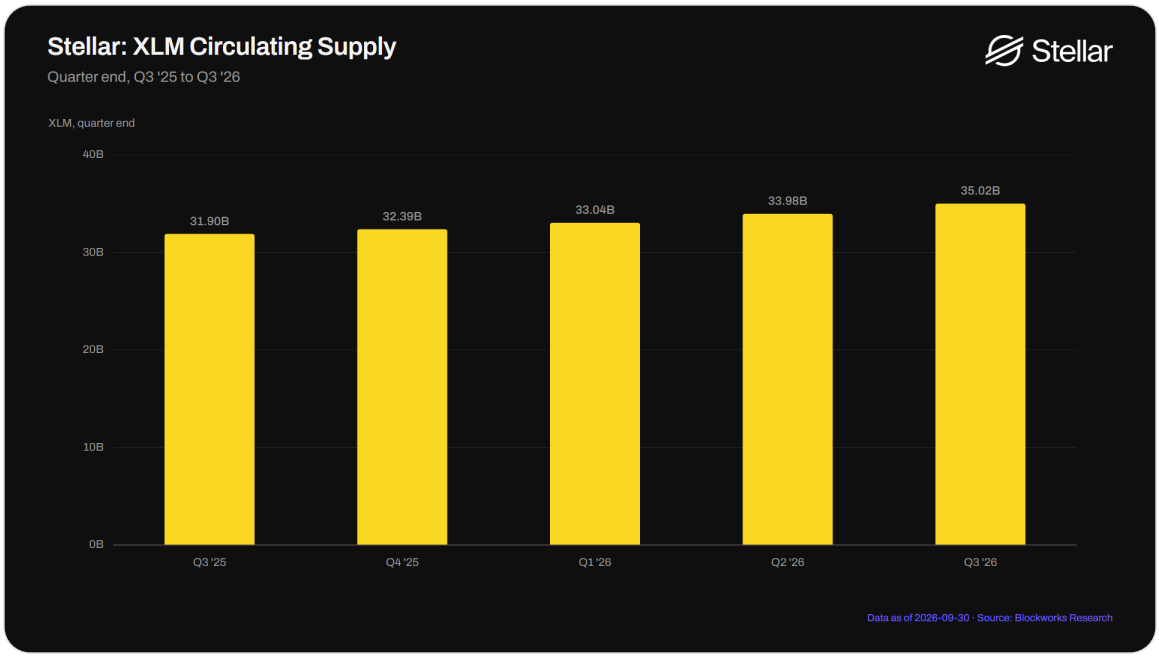
Soroban accounted for 96.0% of network fees while handling 42.9% of transactions, reflecting the difference between metered contract execution and classic payments, which pay a flat base fee.



Stellar: Network Fee Share, Classic vs Soroban. Source: Blockworks

Stellar's transaction fees accumulate outside circulation in a locked pool that the Foundation cannot spend and validators do not receive. The Stellar Consensus Protocol does not use proof-of-stake, so there is no staking yield, and the network has no buyback or burn mechanism.

XLM circulating supply rose 3.1% from 33.98 billion to 35.02 billion over the quarter as the Foundation distributed existing holdings. Stellar's inflation mechanism was removed by a community protocol upgrade in 2019, so these distributions add existing XLM to circulation rather than creating new supply. The 1.04 billion XLM added in Q3 was the largest quarterly increase in the past year, exceeding 0.93 billion in Q2 and 0.66 billion in Q1.



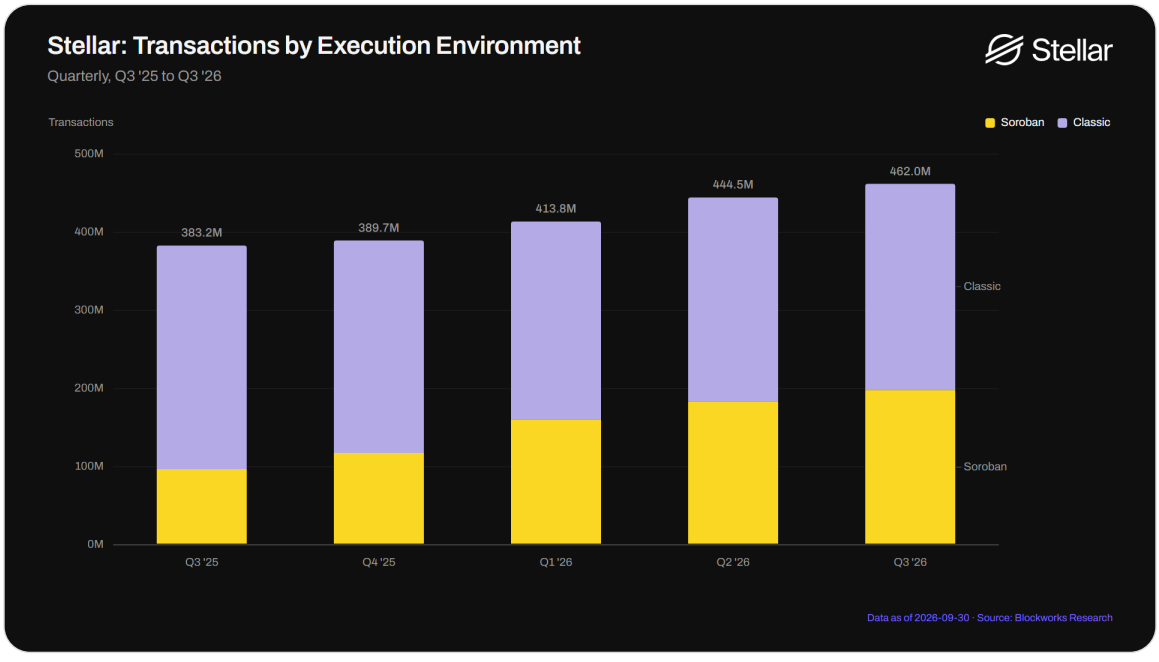
Stellar: XLM Circulating Supply. Source: Blockworks

Subtracting circulating supply, the locked fee pool, and the upgrade reserve from the 50.00 billion total leaves approximately 14.7 billion XLM in SDF mandate accounts at September 30th, down from roughly 15.8 billion at the end of Q2 and equal to 42% of circulating supply and 29% of total supply. The accounts remain identifiable onchain, while their distribution rate changes from quarter to quarter.

SECTION 04

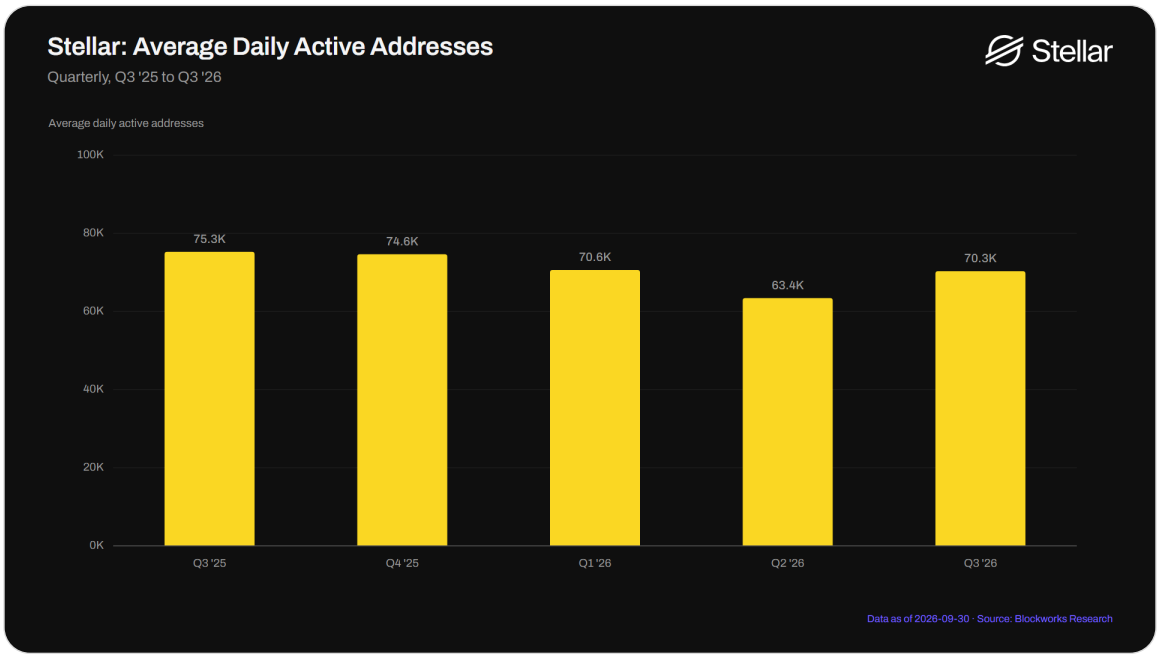
Network Activity & Payments

Stellar processed 462.0 million transactions in Q3 2026, up 3.9% from Q2 and averaging 5.02 million per day, while the failure rate fell to 22.6% from 26.0%, its fourth consecutive quarterly improvement from 36.0% in Q3 2025. Operations, each a discrete instruction a sender asks the network to carry out, totaled 1.04 billion, down 5.3% from 1.10 billion. Transactions and operations diverged because senders packaged fewer operations into each classic transaction envelope, averaging 3.19 in Q3 against 3.50 in Q2. Soroban transactions carry exactly one operation each, so operation counts do not provide a comparable measure of work across the two environments. Within Q3, however, monthly transaction counts eased from July to September while monthly operations rose, meaning each envelope carried more operations by September.



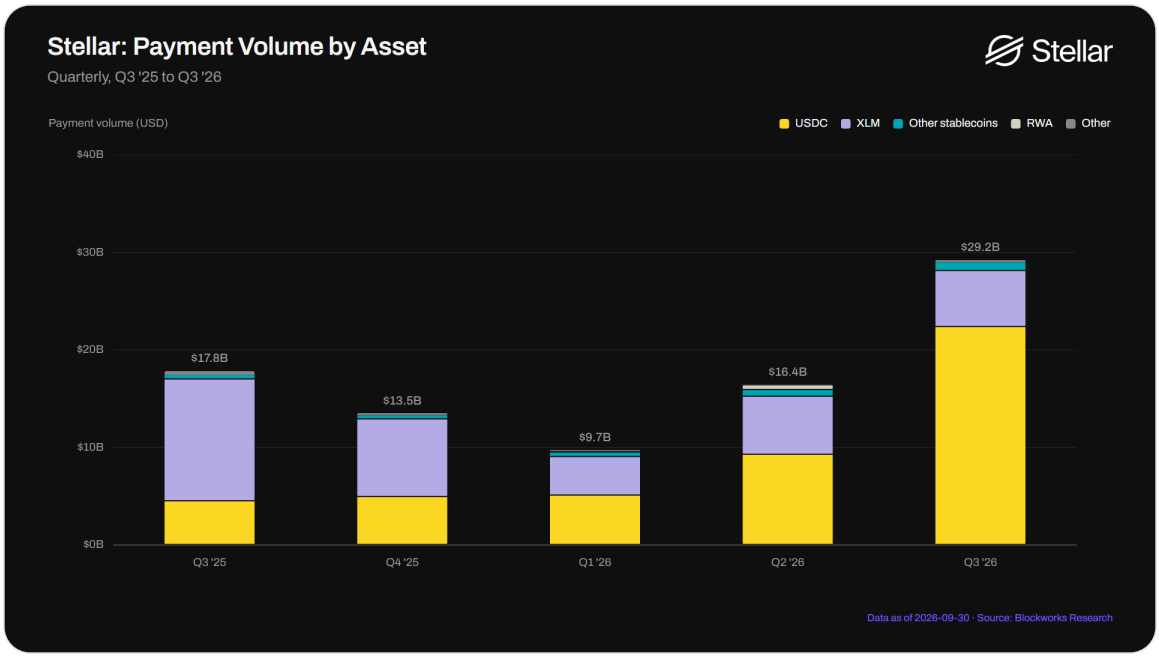
Stellar: Transactions by Execution Environment. Source: Blockworks

Daily active addresses averaged 70,304, a 10.8% increase from 63,442 in Q2, but remained below Q3 2025's 75,283. July and August each averaged about 66,400 before September brought the quarter's gains, averaging 78,407 and reaching a single-day high of 217,289 on September 27th. Because daily address counts capture participants who transact on a given day, they are a poor proxy for holdings in assets that are bought and held, so the address series and the asset balances discussed below are not expected to move together.



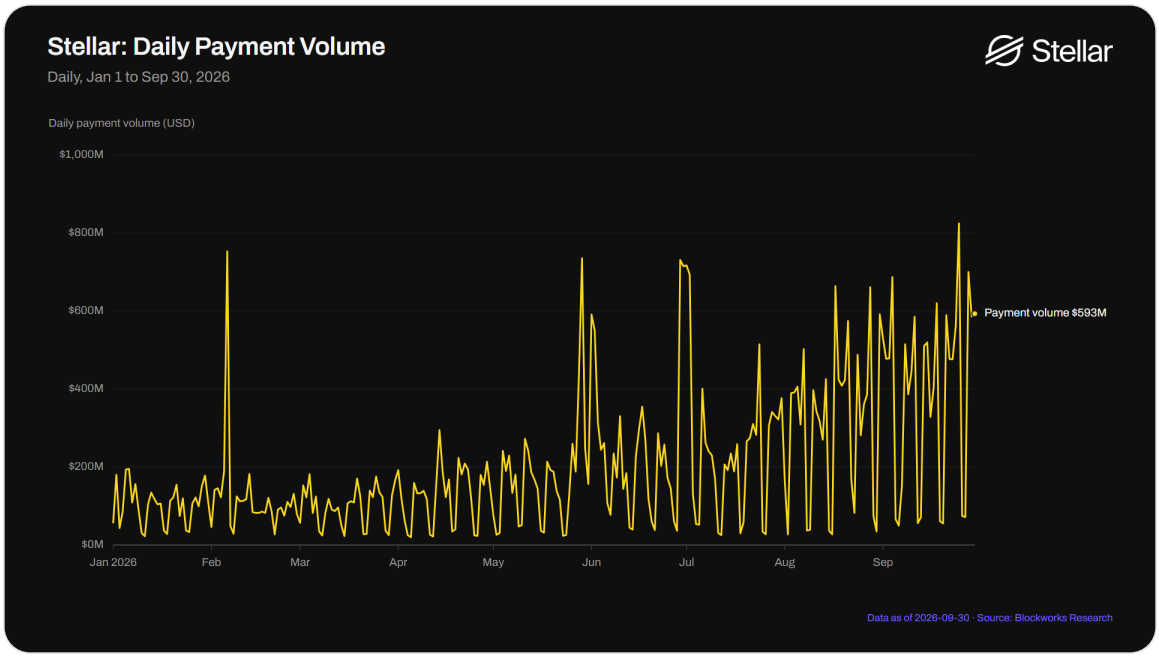
Stellar: Average Daily Active Addresses. Source: Blockworks

Payment volume rose 77.9% to $29.22 billion from $16.43 billion in Q2, driven by dollar-denominated settlement. USDC carried 76.5% of the total, XLM 19.6%, other stablecoins 3.2%, tokenized real-world asset transfers 0.1%, and all remaining assets 0.6%. USDC payments rose 141.9% to $22.36 billion, while XLM payments slipped 3.8% to $5.73 billion.



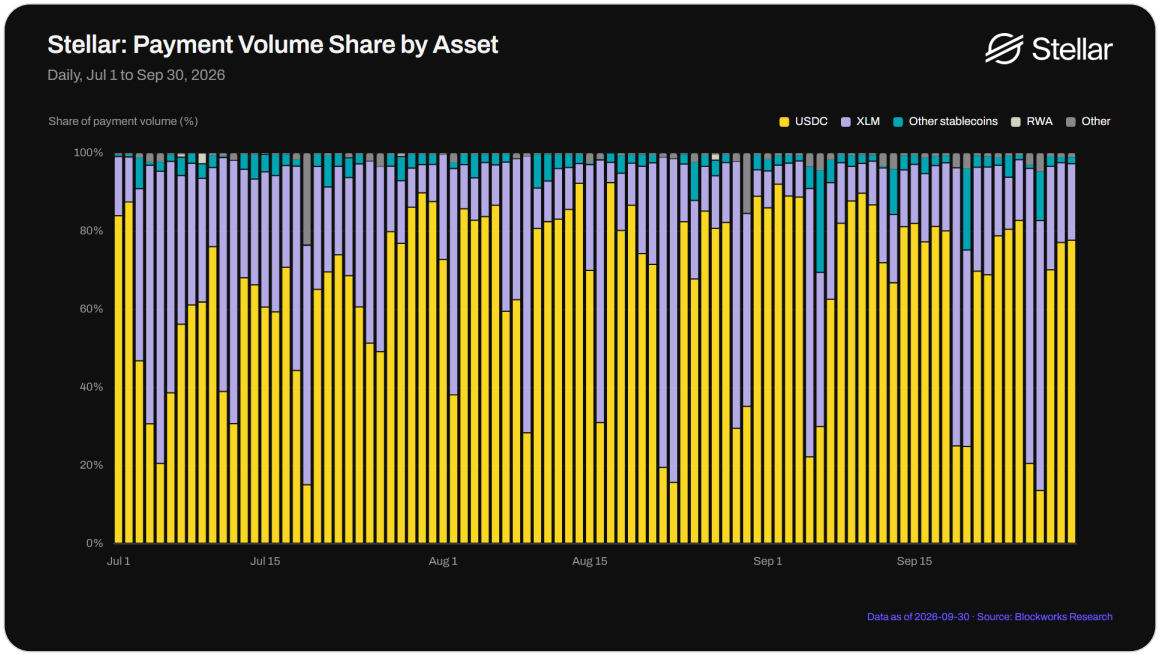
Stellar: Payment Volume by Asset. Source: Blockworks

Median daily payment volume rose 101% from Q2's $159 million to $320 million, close to the mean of $318 million, showing that the increase rested on a broader daily base. Of the twenty-one days that settled more than $500 million, September 25th was the largest at $825 million, including $682 million in USDC. The five largest days together accounted for 12.4% of the quarter's volume. Monthly volume rose from $7.56 billion in July to $11.95 billion in September.



Stellar: Daily Payment Volume. Source: Blockworks

Stablecoin payment volume reached $23.28 billion, up 134.4% from $9.93 billion, when counting payment operations only.



Stellar: Payment Volume Share by Asset. Source: Blockworks

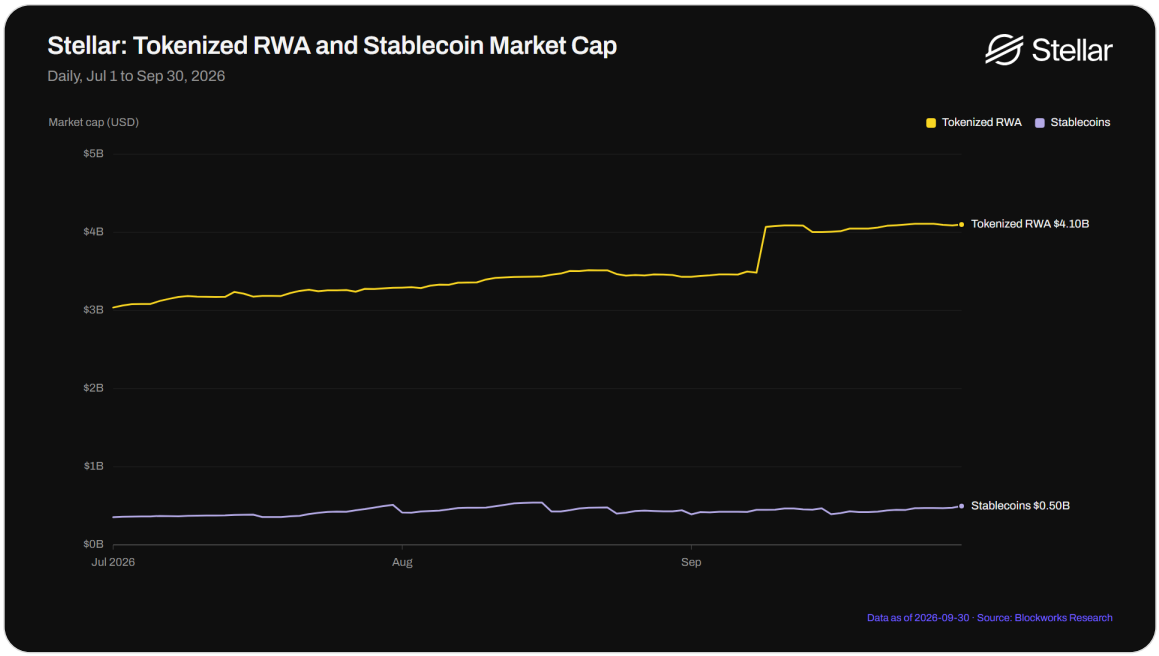
Disbursements through the Stellar Disbursement Platform totaled $4.5 million across 13,484 payments, up from $0.7 million and 2,079 payments in Q2. GIZ accounted for $2.3 million of the total, with these programmatic aid and remittance flows reported separately from organic payment activity.

SECTION 05

Tokenized Assets & Stablecoins

Real-World Assets

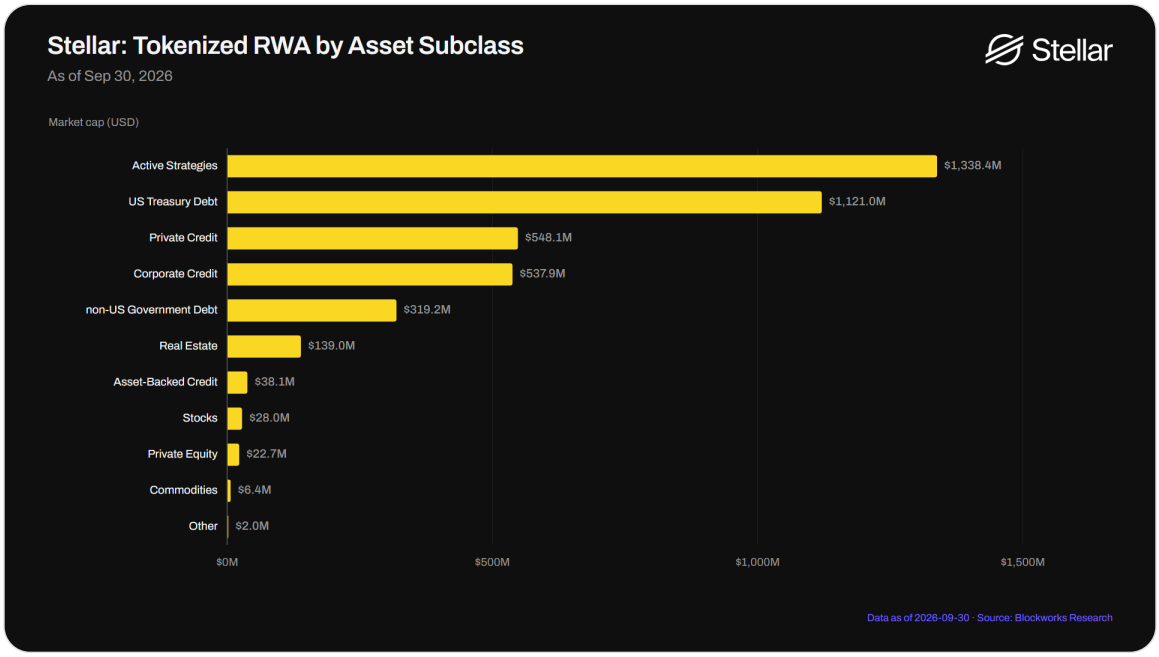
Tokenized real-world assets on Stellar closed Q3 2026 at $4.10 billion, up 36.7% from $3.00 billion at the end of Q2 and 7.2 times the $567 million recorded a year earlier. The total crossed $3.5 billion on August 19th and $4 billion on September 9th before peaking at $4.11 billion on September 27th.



Stellar: Tokenized RWA and Stablecoin Market Cap. Source: Blockworks

At quarter close, active strategies were the largest asset class at $1.34 billion across 6 instruments, followed by US Treasury debt at $1.12 billion across 16. Private credit stood at $548 million, with Tradable adding 24 instruments in September, while corporate credit held $538 million across 7 instruments and non-US government debt held $319 million across 6. Real estate accounted for $139

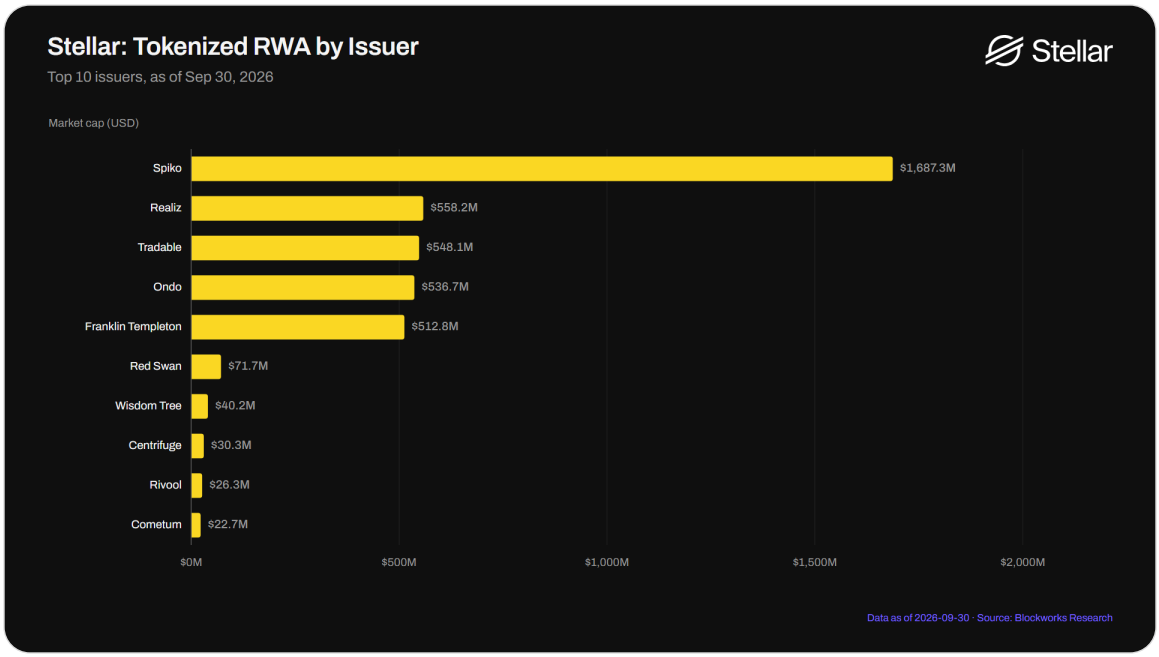
million across 17 instruments, asset-backed credit $38 million across 20, tokenized stocks $28 million across 6, and private equity $23 million in one instrument. Commodities held $6 million across 2 instruments, and the remaining $2 million sat in 3 smaller credit and deposit instruments.



Stellar: Tokenized RWA by Asset Subclass. Source: Blockworks

In late August, Stellar held more tokenized non-US government debt than any other blockchain, with about $490 million in sovereign instruments. These included Spiko's euro Treasury bill fund, Mexican CETES and Brazilian Tesouro bonds through Etherfuse, South Korean Treasury bonds, and a Marshall Islands digital sovereign bond. The category closed the quarter at $319 million.

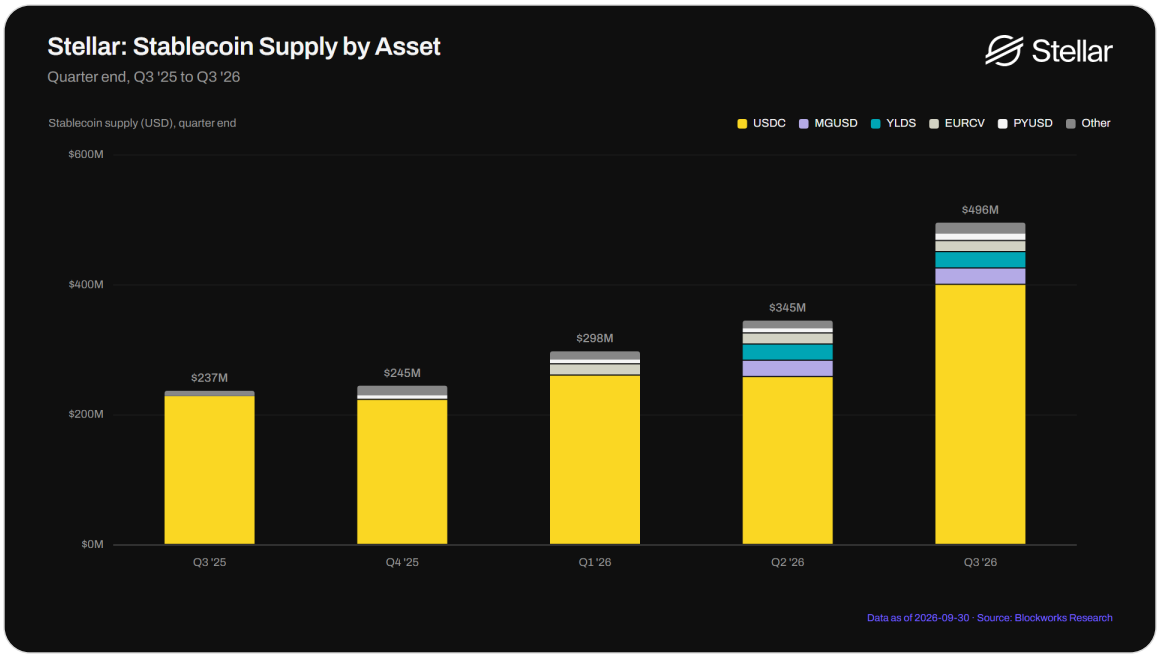
Issuer concentration eased but remained high, with sixteen issuers holding non-zero balances at quarter close, up from twelve, and the top four's share falling to 81.2% from 92.5% in June. Spiko grew to $1,687 million, or 41.1%, across 9 instruments, more than the next three issuers combined. Realiz held $558 million (13.6%) across 3 instruments, Tradable $548 million (13.4%) across 24, and Ondo $537 million (13.1%) in a single instrument. Franklin Templeton held $513 million (12.5%) across 4 instruments, down from $596 million, and fell from second to fifth place by issuer. The top five together held 93.7%, with the arrival of a fifth issuer of scale reducing concentration among the leading issuers overall even as the largest issuer's share rose.



Stellar: Tokenized RWA by Issuer. Source: Blockworks

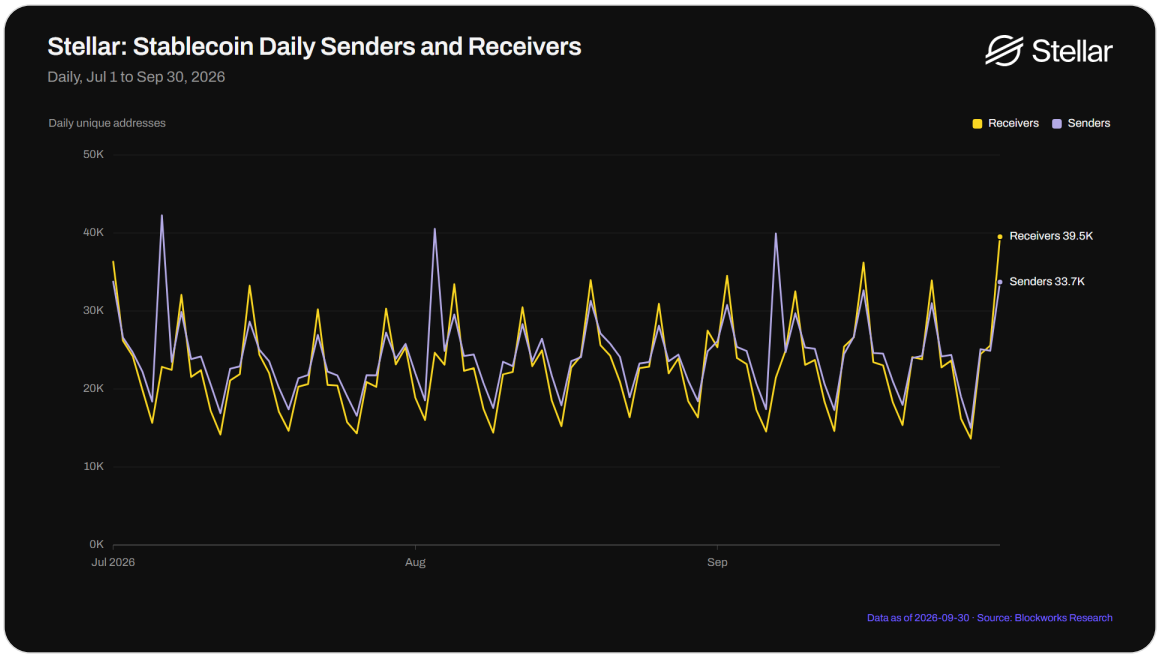
Stablecoins and Wrappers

Stablecoin balances closed Q3 at $496 million, up 43.6% from $346 million, with USDC growing 54.9% to $400 million as the number of accounts holding it rose from 643,185 to 717,168. MGUSD and YLDS each held $25.2 million across 8 and 7 accounts, respectively, leaving both supplies concentrated among a small number of accounts. PYUSD grew 49.1% to $11.8 million across 1,096 accounts, while SG Forge's EURCV held $17.1 million and Circle's EURC held $4.8 million across 6,650 accounts. USDT0 went live on September 2nd as a single supply backed one-to-one by USDT and shared across LayerZero-connected networks. Launch integrations included Kraken, Fireblocks, Freighter, Lobstr, and SushiSwap.



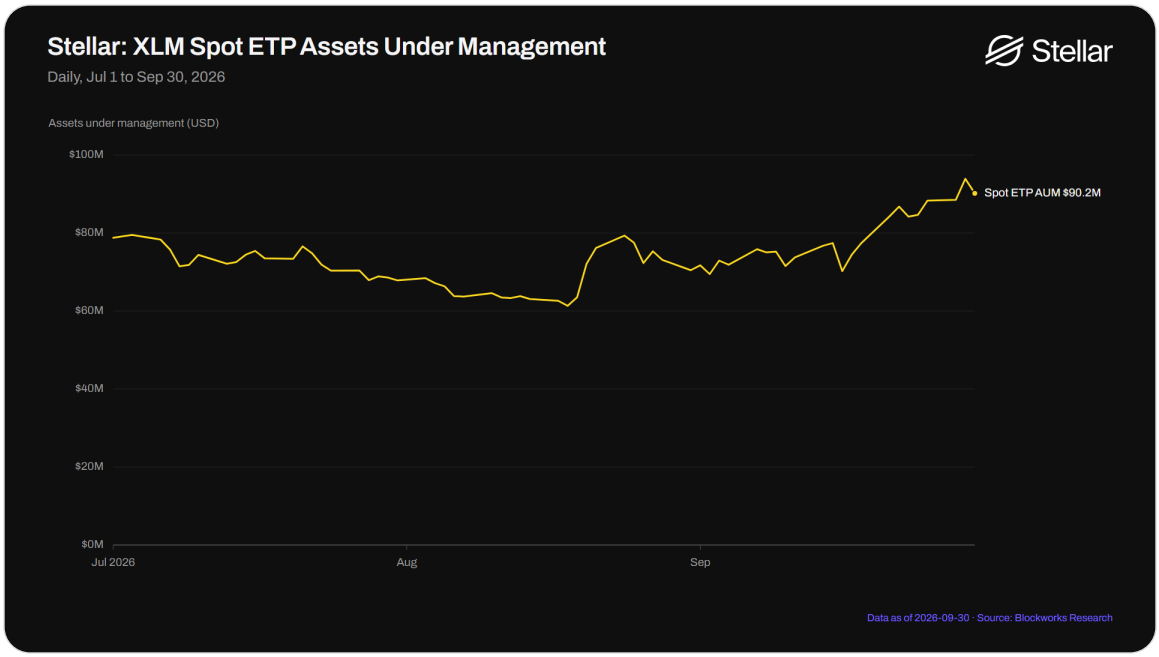
Stellar: Stablecoin Supply by Asset. Source: Blockworks

Stablecoin participation was flat for a third consecutive quarter, with daily senders averaging 24,258 against 24,331 in Q2 and daily receivers averaging 22,904 against 22,484. These counts cover classic Stellar accounts only, excluding contracts, liquidity pools, and claimable balances. Across all operation types, stablecoin transfer value rose 55.5% to $34.27 billion, while average daily transfers held broadly steady at roughly 148,000 (against 151,000 in Q2), indicating a meaningful increase in average transfer size alongside stable participant counts.



Stellar: Stablecoin Daily Senders and Receivers. Source: Blockworks

Regulated wrapper exposure remained small despite growth, with four European spot exchange-traded products referencing XLM holding $90.2 million at quarter close, up from $69.9 million in June. Net inflows totaled $3.1 million, with September contributing the largest monthly amount at $1.5 million, although the category remains immaterial to the network's economics at this size.



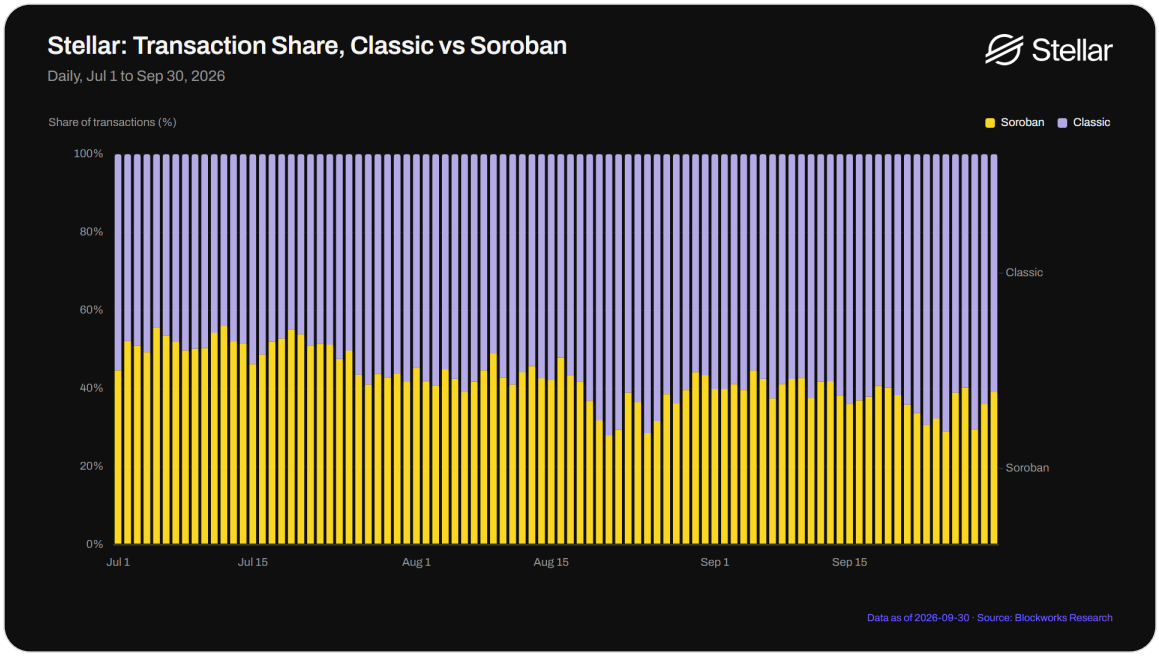
Stellar: XLM Spot ETP Assets Under Management. Source: Blockworks

SECTION 06

Protocol Analysis

Platform Migration

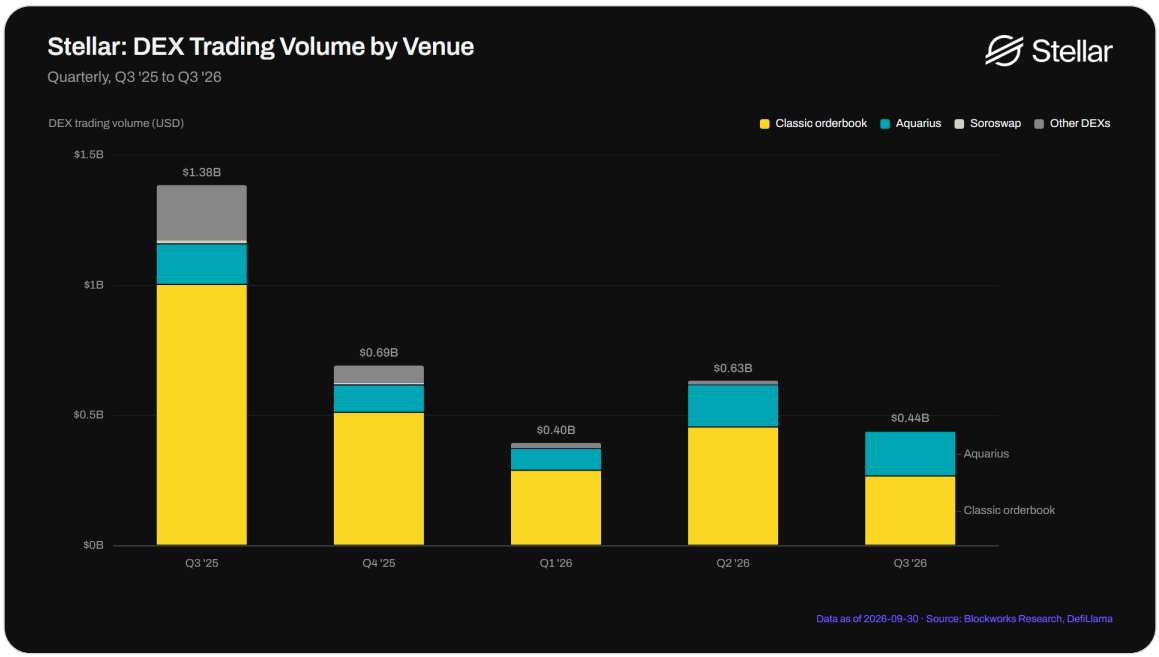
Soroban's share of network activity rose again as the contract environment handled 42.9% of all transactions in Q3, up from 41.3% in Q2 and 25.3% in Q3 2025. The shift was further advanced in fees and trading, where Soroban carried 96.0% of network fees, and exchanges built on Soroban handled 39.2% of DEX trading volume, up from 26.1% in Q2 and 12.3% in Q3 2025. These growing shares reflect a deepening DeFi ecosystem alongside Stellar's payment traffic.



Stellar: Transaction Share, Classic vs Soroban. Source: Blockworks

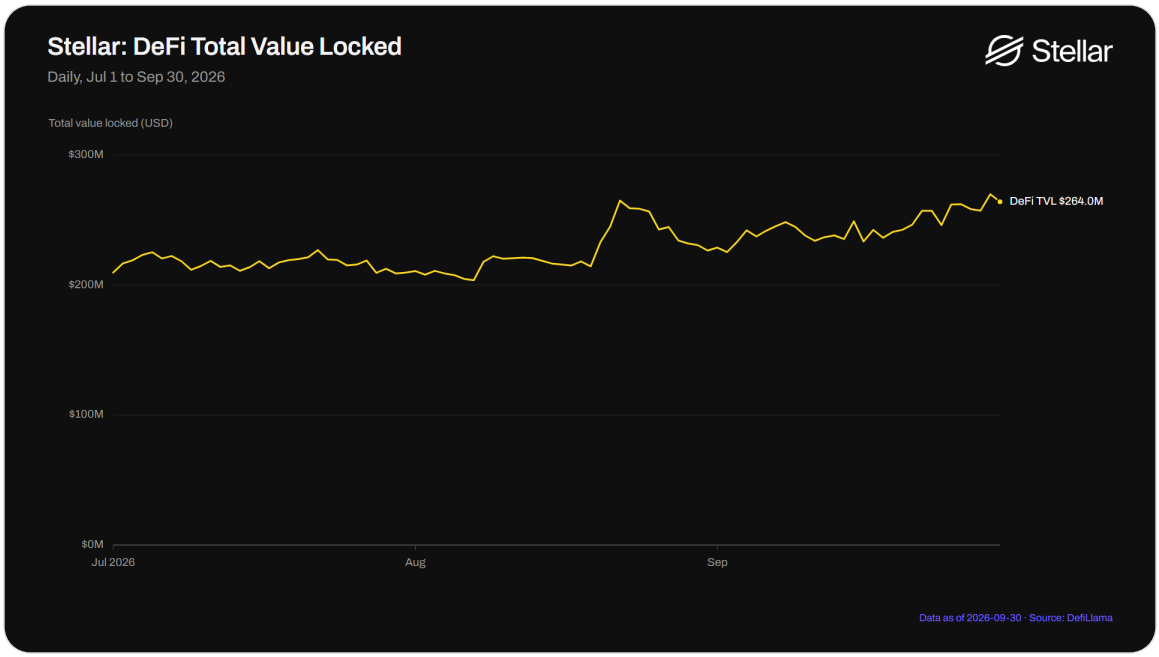
Trading on exchanges built on Soroban rose 5.5% to $175 million, led by Aquarius at $172 million, up 6.0% from Q2, with Soroswap adding $2.4 million. Total DEX trading volume was $441 million, compared with $634 million in Q2, as volume on

the classic orderbook fell 41.5% to $266 million. Beyond trading, the value of tokens moving through Soroban smart contracts rose 59.8% to $3.67 billion, a broader measure that includes all contract activity, not only swaps.



Stellar: DEX Trading Volume by Venue. Source: Blockworks

DeFi total value locked closed the quarter at $264 million, up 34.5% from $196 million. Blend, Aquarius, and Soroswap remain the principal venues, while pricing infrastructure expanded alongside them with Pyth oracle feeds live on mainnet by mid-September and Chainlink Data Feeds and Data Streams following on October 14th.



Stellar: DeFi Total Value Locked. Source: Blockworks

Consensus and Security

The validator set changed more in composition than in size, with active validators, nodes taking part in consensus, decreasing by just 1 QoQ to 93, while full validators, the subset that also publish a complete history archive, rose from 70 to 76. The tier-one quorum set that anchors consensus grew from 21 to 30 at the end of August, when MoneyGram, Figure Markets, and Range completed integration into the quorum configuration. Each operates three geographically dispersed full validators with complete history archives, as tier-one membership requires. Stellar validators earn no block rewards, staking yield, fee share, or ordering revenue, and operators whose products settle on the network bear the cost of consensus because they depend on it. Alongside the Foundation's publicly labeled mandate accounts, the quorum set provides a concrete basis for assessing decentralization, with tier-one membership remaining small and identifiable but now including three organizations with their own issuance and payment volume at stake.



Stellar: Validator Set. Source: Blockworks

Protocol 27, Zipper, activated on mainnet on July 8th, following its June 18th testnet deployment. CAP-71 introduced authentication delegation, allowing custom smart contract accounts to hand off their authentication logic to other addresses. It also added an address-bound credential type that includes the signer's address in the signature payload to prevent replay between accounts that share keys.

Protocol 28, Adapter, reached testnet on August 27th and mainnet on September 16th. Under CAP-83, validators can begin voting before they hold the full transaction set and drop a late or invalid set instead of stalling. This keeps consensus moving when transaction data propagates slowly, although the full performance gains phase in after mainnet activation. CAP-85 lets contracts point to a shared, externally managed code reference, allowing one update to upgrade every contract using it. CAP-86 adds sparse host functions that tolerate missing or extra fields, providing a supported path for migrating contract data to new schemas. Protocol 28 also requires validators to run clock synchronization.

Protocol 29 reached testnet on September 29th and mainnet on October 1st, the day after the quarter closed, as a security-focused release that fixes vulnerabilities in Stellar Core without introducing new protocol changes. The Foundation reported 100% uptime for the quarter.

Bell, Protocol 30, was announced on October 20th with a mainnet vote scheduled for November 23rd. The release includes muxed contract addresses and verification of post-quantum ML-DSA signatures inside smart contracts, alongside millisecond ledger timing that removes the one-ledger-per-second floor without itself shortening block times.

SECTION 07

Product & Ecosystem Updates

Shipped

USDT0 went live on Stellar on September 2nd, giving the network access to Tether's dollar liquidity through a single supply shared across LayerZero-connected networks rather than a wrapped or bridged token. Kraken, Freighter, Lobstr, Meru, Bitget Wallet, Fireblocks, BiLira Kripto, Kredete, Ramp Network, and SushiSwap supported the launch. Exodus is to follow.

Issued by State Street Investment Management and tokenized by Galaxy, the State Street Galaxy Onchain Liquidity Sweep Fund went live on Stellar on September 29th. Anchorage provides custody, Chainlink supplies pricing and reserve data, NAV Consulting serves as transfer agent, and State Street Bank and Trust Company holds the securities. The fund runs as a Soroban contract using the network's native authorization, freeze, and clawback controls, with access through a private placement open to Qualified Purchasers who can subscribe and redeem in stablecoins at any time.

U.S. Bank completed its first pilot transaction on Stellar by moving a cross-border payment between its North American and European entities in its proprietary USBDC stablecoin. Running through the bank's internal digital asset platform and connected to its core finance, risk, compliance, and operations systems, the pilot exercised minting, payment, redemption, freezing, and clawback.

BVNK, now part of Mastercard, added Stellar to its stablecoin payments platform on September 22nd, allowing enterprise customers to reach the network through the API they already use. MoneyGram, Figure Markets, and Range joined the tier-one validator set, while the Foundation published DeFi security standards for protocols holding user funds. Those standards cover audits, bug bounties, concentration limits, first-loss capital, oracle safeguards, and scoped emergency powers, and the Foundation also documented Hypernative monitoring for Stellar contracts. The Stellar Ambassador Program launched in August with four tiers and chapters across Africa, Asia, and Latin America, and Soroban Rust SDK v28 shipped on September 28th.

In Testnet or Developer Preview

Stellar Private Payments, a privacy pool built by Nethermind and previewed by the Foundation on August 24th, runs only on testnet and uses unaudited contracts. Users deposit into a shared pool and pay each other within it, while the public ledger shows deposits and withdrawals without revealing who paid whom or how much. Zero-knowledge proofs back each transfer, nullifiers prevent double spends, association set providers supply allow-lists and block-lists, and auditors can hold view keys. On September 24th, the Foundation published an issuer-controlled architecture for confidential stablecoins that keeps addresses visible while hiding balances and amounts. Its controls include freeze flags, a pluggable policy hook, dual-auditor reporting channels, and offchain selective disclosure, although neither initiative has mainnet approval.

Announced with a Future Target

Tradable, a private asset marketplace and tokenization platform, agreed on July 15th to tokenize up to $1 billion of private credit on Stellar, with $548 million, or 54.8% of that amount, onchain by quarter close. In August, Nuvanté Technologies built a stablecoin clearing prototype on Stellar and tested it in the Bank of England's Synchronisation Lab, connected to the RTGS environment. UNDP and the Foundation signed an agreement on July 6th that runs through 2027, moving blockchain-based payments from pilots in Haiti, Syria, Kenya, Guatemala, and The Gambia toward a standing capability for UNDP country offices. The DTCC selection remains unchanged since May, with tokenized DTC-custodied assets targeted for the first half of 2027.

Developer activity reached another record as the Foundation's Q3 update reported 3,922 monthly active developers, up from 2,968 at June 30th. Meridian 2026 took place in Lisbon on October 28th and 29th, with speakers from DTCC, U.S. Bank, and Fireblocks on the program.

SECTION 08

Closing Summary

Stellar enters Q4 2026 with a broader institutional base, following a quarter in which new issuers of scale helped tokenized real-world assets grow by 36.7% to $4.10 billion. A State Street fund went live on the network, while payment volume rose by 77.9% to $29.22 billion, with stablecoins carrying 79.7% of the total. Two mainnet upgrades activated on schedule, a third followed on October 1st, and the tier-one validator set expanded from 21 to 30 nodes as organizations whose own products settle on Stellar deepened their role in securing it.

For XLM holders, the mechanics remain unchanged, with fees accumulating in a locked pool that cannot be spent or distributed and no staking yield, burn, or buyback. The 38.2% rise in fees to $124,975 reflected heavier contract execution, with resource pricing unchanged.

Bell's mainnet vote on November 23rd anchors Q4's protocol calendar, with post-quantum signature verification and millisecond ledger timing among the proposed changes. Chainlink feeds, live since October 14th, provide the pricing needed to borrow against the $4 billion asset base, creating more scope to put this year's tokenized assets to work. Meridian in Lisbon at the end of October brought DTCC, U.S. Bank, and Fireblocks onto the Foundation's stage.

The next markers include USDT0 and the U.S. Bank pilot becoming visible in network balances and volumes, alongside MGUSD and YLDS holder counts moving beyond single digits as distribution begins. Further issuer diversification beyond Spiko, building on Tradable and State Street's arrivals this quarter, and a firmer public DTCC timeline ahead of the first half of 2027 will provide additional milestones. Q3 turned announcements into live issuance, settlement, and validator participation, giving Q4 an established base for further growth.