

Q1 2026 WALLET™ Index Commentary

Executive Summary and Performance Commentary

Digital payment companies delivered overall negative performance in aggregate in Q1 2026. The Nasdaq CTA Global Digital Payments™ Index (WALLET™) was down 18.1% for the quarter, underperforming the S&P 500 (-4.6%). Of the index's 39 current constituents, 34 names experienced losses, 2 names experienced double-digit gains, and 3 names experienced single digit gains. Top performers included Ibotta (+31.85%) followed by Paypoint (+14.95%), Remitly Global (+13.55%), and PagSeguro Digital (+3.94%). The bottom performers included Zip (-51.38%), Adyen (-39.17%), Affirm Holdings (-38.44%) and NCR Voyix (-37.94%)¹.

In our view, investors continue to lack meaningful exposure to digital payments in their core portfolios. The S&P 500 currently tracks only 10 constituents that overlap with WALLET, comprising <2% of its exposure. 29 of WALLET's constituents (~50% of index weight) do not overlap with the S&P 500. With exposure to multiple technological advancements including cryptocurrencies, artificial intelligence and blockchain technology, the theme has evolved in recent years to provide exposure to newer forms of finance. Agentic commerce is beginning to transform digital payments from a human-driven, click-based process into an AI-native one.

Key Digital Payments News Items

Major digital payment companies are focusing on the rise of agentic commerce (AI-powered shopping), the shift to blockchain-enabled real-time settlement, widespread digital wallet adoption as "super-apps", and enhanced security through behavioral AI. Generative AI now enables conversational AI assistants that allow users to check balances, initiate transfers, and resolve disputes through natural language rather than outdated chatbots².

Digital wallet users are expected to exceed 6 billion by 2030, driven by the convenience of storing credit/debit cards, loyalty cards, and tickets on smartphones. This represents a significant 35% increase in adoption from the estimated 4.5 billion users in 2025, driven by a global shift toward cashless transactions³.

Quarterly Earnings Recap

Overall, WALLET companies that beat revenue and earnings estimates in the most recent quarter did so by an average of 3.0% and 7.8% respectively, while those that missed did so by 1.8% and 4.7% respectively. ~73% of index weight beat top-line estimates while ~48% beat bottom-line estimates. In aggregate, WALLET companies saw revenues surge by 20.6% year-over-year. Aggregate net income grew by 8.3% year-over-year.

¹ Top and bottom performers, measured on a price return basis

² <https://lumenalta.com/insights/6-generative-ai-use-cases-in-banking-and-financial-services>

³ <https://capitaloneshopping.com/research/digital-wallet-statistics>

	Beats		Misses	
	No. of Firms/Index Weight	Average Beat (%)	No. of Firms/Index Weight	Average Miss (%)
Q1 2026 Revenues	27/73.1%	3.0%	8/26.1%	-1.8%
Q1 2026 Earnings	19/47.6%	7.8%	14/44.9%	-4.7%

Source: Nasdaq Global Indexes, FactSet data as of March 31, 2026

Note: Of the 39 companies, two companies with an index weight of 6.5% have reported but do not have consensus estimates for the bottom-line. Four companies with a total index weight of 0.96% report on a semi-annual basis and do not have reported data.

Index Additions & Deletions (March 27th, 2026)

- Etoro Group, a fintech solutions provider offering a platform that gives traders and investors access to different financial assets, including stocks, cryptocurrencies, ETFs and commodities was added to the index at a weight of 0.69%.
- Capital One Financial Corporation, a commercial banking solutions provider, was added to the index at a weight of 0.28%.
- Green Dot Corporation, a bank holding company that offers personal banking products and services was removed from the index at a weight of 1.7%.

New Digital Payments Products Announced in Q1 2026 (AI-Related in Bold)

- In January 2026, Mastercard introduced a new offering called Mastercard Agent Suite, a new offering designed to help enterprises build, test, and deploy customized AI agents for various operational tasks, including payment processing and risk management. In March 2026, the company introduced an AI-powered tool aimed at small businesses to act as a "virtual CFO" or expert assistant, helping with cash flow analysis and financial tasks⁴.
- In March 2026, Visa launched, in collaboration with Pinwheel, Enhanced Subscription Manager, a tool that allows issuers to embed subscription controls directly into their banking apps, enabling users to view, manage, and cancel recurring payments⁵.
- In January 2026, Fiserv, Inc. partnered with Wink to introduce AI-powered biometric and identity-driven technology to enable frictionless, secure checkout for merchants in retail and hospitality. It also launched a partnership with Sumitomo Mitsui Card Company to introduce the Clover suite of products in Japan, accelerating digital commerce and cashless payments in that region⁶.

⁴ <https://www.mastercard.com/us/en/news-and-trends/press/2026/january/mastercard-launches-agent-suite-to-ready-enterprises-for-a-new-e.html>

⁵ <https://investor.visa.com/news/news-details/2026/Visa-Launches-Enhanced-Subscription-Manager-Giving-Consumers-Greater-Control-Over-Recurring-Payments/default.aspx>

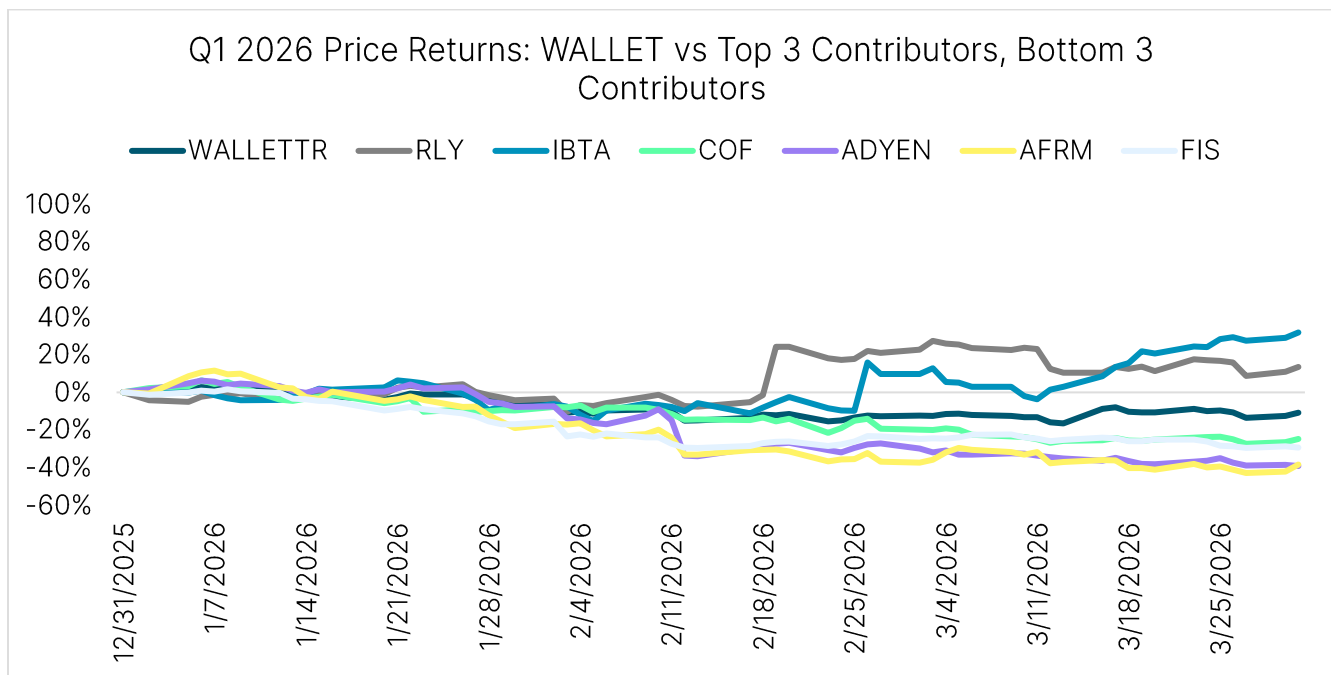
⁶ <https://investors.fiserv.com/news-releases/news-release-details/clover-introduces-identity-based-payments-transform-everyday>

Digital Payments M&A and IPO Activity in Q1 2026

Inside WALLET Index Activity:

- In January 2026, Fidelity National Information Services (FIS) announced and completed the acquisition of Global Payments' Issuer Solutions business (formerly TSYS). The acquisition was valued at approximately \$13.5 billion, with a net purchase price of \$12 billion, which was partially funded by the simultaneous sale of FIS's remaining stake in Worldpay⁷.
- In January 2026, Capital One announced a definitive agreement to acquire corporate spend management platform Brex for \$5.15 billion, expected to close in 2026⁸.
- In March 2026, Mastercard announced an agreement to acquire BVNK, a stablecoin infrastructure startup, for up to \$1.8 billion on March 17, 2026, marking a major move into crypto. This follows their acquisition of threat intelligence company Recorded Future in September 2024 for \$2.65 billion⁹.

Top 3 and Bottom 3 Contributors to Performance



Source: Bloomberg

⁷ <https://www.fisglobal.com/about-us/media-room/press-release/2026/fis-completes-strategic-acquisition-of-global-payments-issuer-solutions-business>

⁸ <https://investor.capitalone.com/news-releases/news-release-details/capital-one-acquire-brex>

⁹ <https://www.mastercard.com/us/en/news-and-trends/press/2026/march/Mastercard-to-acquire-BVNK-to-connect-on-chain-payments-and-fiat-rails.html>

Top 3 Index Performance Contributors in Q1 2026¹⁰

Company	Symbol	WALLET Contribution Percentage	Average WALLET Weight (%)	Q1 2026 Total Returns (12/31-3/31)	YTD 2026 Total Returns
Remitly	RLY	0.19%	1.49%	13.56%	13.56%
Ibotta	IBTA	0.10%	0.33%	31.85%	31.85%
Capital One Financial Corporation*	COF	0.07%	1.05%	1.47%	1.47%

Source: Bloomberg

*Returns are indicated for the period March 16, 2026 to March 31, 2026 post the addition of the security to the index

Remitly (RLY)¹¹

- The stock rose on the heels of a strong quarter, positive forward guidance, regulatory tailwinds and analyst upgrades.
- Remitly reported Q4 2025 revenue of \$442.2 million, beating estimates of \$427.4 million, with 26% year-over-year growth. The company delivered its first full year of GAAP profitability with \$68 million in net income, compared to a \$6 million net loss in Q4 2024. Q1 2026 revenue guidance of \$436-\$438 million beat estimates of \$429.7 million, driven by favorable seasonality and early benefits from the 1% tax on cash remittances.

Ibotta (IBTA)¹²

- The shares gained following a strong quarter and upbeat forward guidance.
- Fourth quarter 2025 revenue and adjusted EBITDA exceeded the high end of guidance, with results coming in 7% and 31% above the midpoint of prior guidance, respectively. The company provided Q1 2026 revenue guidance of \$78-\$82 million, which was roughly 7.9% above what analysts were expecting.

Capital One Financial Corporation¹³ (COF)

- The stock rose during the portion of the quarter in which it was held in the index, due to a combination of factors including the dismissal of a lawsuit against the company, stabilization in the credit cycle and the announcement of new product innovations.
- On March 23, 2026, Capital One shares traded higher after a U.S. District judge in Miami dismissed a lawsuit against the company filed by President Donald Trump and his business.

¹⁰ Bloomberg Intelligence¹¹ <https://ir.remitly.com/static-files/32529430-4e0d-418c-bea3-e5d38c74a529>¹² <https://investors.ibotta.com/>¹³ <https://ir-capitalone.gcs-web.com/static-files/>

Bottom 3 Index Performance Contributors in Q1 2026¹⁴

Bottom 3 Contributors	Symbol	WALLET Contribution Percentage	Average WALLET Weight (%)	Q1 2026 Total Returns (12/31-3/27)	YTD 2026 Total Returns
Adyen	ADYEN	2.38%	5.67%	-39.33%	-39.33%
Affirm Holdings	AFRM	2.08%	4.39%	-38.44%	-38.44%
Fidelity National Information Services	FIS	1.24%	4.16%	-28.80%	-28.80%

Source: Bloomberg

Adyen (ADYEN)¹⁵

- The stock came under pressure due to a weak quarter, fueled by a combination of missing Q4 revenue expectations, a conservative outlook for 2026, and pressure on margins. Adyen reduced its 2026 net revenue growth outlook to 20-22% on a constant currency basis, down from a prior forecast of low to mid-twenties percentage growth. Fourth-quarter constant-currency net revenue growth came in at 19%, missing estimates by approximately 1-2%. Full-year 2025 revenue of €2.36 billion fell short of consensus estimates of €2.38 billion.
- The company's 2026 EBITDA margin guidance of approximately 53% fell short of consensus estimates of 54%, driven by planned investments in team expansion and product development.

Affirm Holdings (AFRM)¹⁶

- Shares fell due to broader fintech sector pressures, rising credit risks, and investor concerns over future growth deceleration.
- Investor concerns arose in February 2026 regarding an implied deceleration in GMV (Gross Merchandise Value) for the second half of fiscal year 2026, an increase in provisions as a percentage of GMV. Revenue and cost of revenue (RLTC) take rate was down year-over-year in the second quarter, primarily due to lower interest income as a percentage of GMV, as the mix shifted more towards 0% APR products.
- Concerns over inflation and the high cost of living have pressured consumers, leading to worries about rising default rates and the ability of borrowers to repay debt.

Fidelity National Information Services (FIS)¹⁷

- The stock sold off largely due to a conservative 2026 outlook, a narrow Q4 earnings per share (EPS) miss, and a wave of analyst price-target cuts. Despite revenue growth, higher operating costs (up 7% in Q4) and pressures related to restructuring/debt refinancing dampened investor sentiment.

¹⁴ Bloomberg Intelligence¹⁵ <https://investors.adyen.com/events/earnings-call-h2-2025>¹⁶ <https://investors.affirm.com/static-files/>¹⁷ <https://edge.media-server.com/mmc/p/mkeqt8z8>

- Broader technology sector weaknesses, including rising inflation data and elevated oil prices, also weighed on the stock.

Industry Trends

Agentic commerce moves mainstream

- AI shopping agents are evolving from assistants to autonomous actors. 2026 is seeing the widespread testing and early adoption of "buy for me" capabilities, with AI agents expected to handle 15–25% of U.S. e-commerce purchases by 2030¹⁸. Major initiatives, such as Google's AP2 (Agent Payments Protocol) and OpenAI's Agentic Commerce Protocol (ACP) in partnership with Stripe, allow agents to complete transactions directly within chat interfaces¹⁹.

Infrastructure for "Agent-Ready" Payment

- To support autonomous bots, payment networks are introducing new standards, such as AI-ready cards and tokenized digital credentials that replace static card details, allowing agents to act within pre-set budgetary and category constraints²⁰.

Rise of AI-Powered Fraud Defense & Digital Identity Solutions

- As agent-driven transactions increase, so do AI-powered threats like deepfakes and synthetic identity theft. The industry is responding with advanced AI tools that scan millions of data points for real-time fraud detection and by doubling down on digital identity verification, such as passkeys, to replace passwords²¹.

Digital Payments Industry Outlook and Top Headlines from Q1 2026

- The total transaction value in the global digital payments market is expected to reach \$26.9 trillion in 2026. During the period 2026-2030, the total transaction value is expected to show an annual growth (CAGR) of 7.4%, resulting in a projected total amount of \$36.1 trillion by 2030. This growth is predicted to be spearheaded by the Mobile POS Payments market segment, with an expected contribution of \$24.6 trillion in 2030. When looking at the industry through a global lens, the country with the largest market for digital payments is China with a cumulative transaction value of \$10.9 trillion in 2026²².
- In Q4 2025, retail e-commerce sales in the United States reached \$365.2 billion, an increase of 21.8% from the third quarter of 2025. According to U.S Census data, by the end of the fourth quarter of 2025, e-commerce sales accounted for 18.3% of total retail sales in the country²³. The industry is on track to continue to dominate the digital payments landscape, estimated to generate \$1.3 trillion by the end of 2025 and \$1.8 trillion to \$1.8 trillion by the end of 2029²⁴.

¹⁸ <https://www.bain.com/insights/2030-forecast-how-agentic-ai-will-reshape-us-retail-snap-chart/>

¹⁹ <https://cloud.google.com/blog/products/ai-machine-learning/announcing-agents-to-payments-ap2-protocol>

²⁰ <https://www.mastercard.com/us/en/news-and-trends/press/2025/april/mastercard-unveils-agent-pay-pioneering-agentic-payments-technology-to-power-commerce-in-the-age-of-ai.html>

²¹ <https://www.ecommercetimes.com/story/the-fraud-visibility-gap-created-by-agentic-shopping-178485.html>

²² <https://www.statista.com/outlook/fmo/payments/digital-payments/worldwide>

²³ <https://www.census.gov/retail/ecommerce.html>

²⁴ <https://www.retaildive.com/news/online-retail-sales-ecommerce-forecast-2030/812833/>

- According to a study conducted by WorldPay, AI agents are predicted to drive a significantly higher volume of \$261 billion in online spending by 2030, representing about 9% of the projected \$2.9 trillion U.S. e-commerce market. Digital payments are expected to account for 79% of global e-commerce value by 2030, with digital wallets expected to become the dominant in-store method²⁵.
- Major digital partnerships focused on accelerating the adoption of stablecoins, integrating AI-driven agentic commerce, expanding real-time account-to-account (A2A) payments, and consolidating fintech infrastructure. Visa expanded its partnership with US-based fintech BVNK to use its infrastructure to power stablecoin payment pilots for Visa Direct, allowing selected business customers to fund payouts using stablecoins²⁶. Stripe's stablecoin arm, Bridge, secured a conditional trust charter from the US OCC, aiming to integrate stablecoins into mainstream financial systems²⁷.
- As of January 1, 2026, the People's Bank of China authorized commercial banks to pay interest on digital yuan (e-CNY) wallet balances, transforming it from "digital cash 1.0" to interest-bearing "deposit currency 2.0. This strategic shift, set at roughly 0.05% per year, aims to boost long-term adoption, encourage adoption over private payment platforms, and enhance its role in the financial system²⁸.

Sources: Nasdaq Global Indexes, Bloomberg, FactSet

The Nasdaq CTA Global Digital Payments™ Index (WALLET™) is tracked by the Amplify – Mobile Payments ETF (IPAY).

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²⁵ <https://corporate.worldpay.com/news-releases/news-release-details/ai-agents-set-transform-how-americans-shop-261-billion-predicted>

²⁶ <https://bvnk.com/blog/bvnk-powers-stablecoin-payments-for-visa-direct>

²⁷ <https://www.reuters.com/business/finance/stripes-crypto-unit-bridge-obtains-initial-approval-establish-trust-bank-2026-02-17/>

²⁸ <https://www.reuters.com/world/asia-pacific/china-issue-digital-yuan-management-action-plan-2025-12-29/>

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