THE DAILY PULSE

by Jagdeep Dayal

PAYMENTS • BANKING • LENDING

MONDAY, AUGUST 31, 2026

COVERAGE WINDOW: AUGUST 24–31, 2026

THIS WEEK IN BRIEF

The week's defining move was the collapse of Advent and Stripe's roughly $50 billion bid to take PayPal private, which unwound weeks of takeover hopes even as Affirm posted its most profitable quarter ever and Walmart finally opened its checkout lanes to Apple Pay and Google Pay. Regulators kept the heat on stablecoins: BIS chief de Cos warned at Jackson Hole that they still fall short as money.

PAYMENTS & STABLECOINS

Advent and Stripe abandon roughly $50 billion bid to take PayPal private

PYMNTS · Aug 28

Private-equity firm Advent International and payments company Stripe walked away from a roughly $50 billion bid (with an opening offer reported near $53 billion) to take PayPal private, ending weeks of takeover speculation. PayPal shares, which had climbed more than 40% on the quarter on deal hopes and strong Q2 results, tumbled as much as 16% in premarket trading on Aug 28 as the premium unwound. Reporting indicates the parties could not bridge a valuation gap after PayPal deemed the opening bid too low.

> **WHY IT MATTERS**
>
> A Stripe-led buyout would have fused the largest online checkout brand with the fastest-moving payments-infrastructure player, reshaping merchant acquiring. Its collapse leaves PayPal to prove its turnaround under CEO Enrique Lores on its own, and signals that even well-capitalized consortia are wary of paying up in a richly valued payments market.

PAYMENTS & STABLECOINS

BIS chief de Cos tells Jackson Hole stablecoins still fall short as money

Crowdfund Insider · Aug 30

Speaking at the Federal Reserve's Jackson Hole symposium on Aug 28, BIS General Manager Pablo Hernández de Cos argued that stablecoins in their present form fall short of the institutional standards required for large-scale payments, citing a lack of automatic par interchangeability between issuers, price deviations under stress, fragmented networks, and integrity concerns around large self-custodied balances. He warned that deposit flight into stablecoins could raise bank funding and borrowing costs, and endorsed tokenized bank deposits—which remain bank liabilities settled in central-bank money—as the safer path. The BIS has separately pegged the stablecoin market near $320 billion, over 99% dollar-denominated.

> **WHY IT MATTERS**
>
> The BIS is the central bankers' central bank, so its stance frames how regulators worldwide will treat stablecoins even as the US GENIUS Act ushers them into the mainstream. The explicit preference for

> tokenized deposits is a tell: incumbent banks, not crypto-native issuers, may be positioned as the intended winners of tokenized money. Likelihood for both systems to coexist is the most likely outcome. Watch for interesting developments in the next year in this space.

PAYMENTS & STABLECOINS

[Walmart starts accepting Apple Pay and Google Pay after a decade of holdouts]

Retail Dive · Aug 25

Walmart began accepting Apple Pay, Google Pay, Samsung Pay and other tap-to-pay methods at select US stores on Aug 25, with a rollout to all of its roughly 4,600 US stores planned by year-end and fuel stations following in 2027. The move reverses years of resistance dating to Walmart's failed CurrentC retailer-consortium wallet and its proprietary Walmart Pay. Contactless acceptance had long been withheld in part to steer customers away from interchange-heavy card taps.

> **WHY IT MATTERS**
>
> The largest US retailer embracing mainstream wallets removes one of the last big holdouts and cements tap-to-pay as the point-of-sale default. It also underscores the interchange tug-of-war: Walmart is widening wallet acceptance while continuing to push lower-cost rails such as pay-by-bank to trim network fees.

BANKING & REGULATION

[Fintech bank-charter wave widens as OCC clears World Liberty, denies Bunq]

American Banker · Aug 20

More than 30 neobanks, digital-asset firms, lenders and payment providers have moved through the federal chartering process in 2026, with the OCC aiming to decide within 120 days of filing. Recent moves include conditional approval for the Trump-linked World Liberty Trust Company, a stablecoin-focused national trust bank, alongside earlier trust charters for Circle, Coinbase and a Stripe/Bridge subsidiary; the OCC denied Dutch neobank Bunq's de novo bid, citing limited US regulatory experience, and returned Zerohash's filing as materially deficient.

> **WHY IT MATTERS**
>
> A national charter converts fintechs from bank partners into direct competitors with cheaper funding and nationwide reach—a structural threat to community and regional banks. The mix of fast approvals and pointed denials shows the OCC opening the door selectively, rewarding US-regulatory readiness and stablecoin infrastructure while keeping a gatekeeping posture.

LENDING & CREDIT

[Affirm posts record quarter as PayPal deal collapse lifts BNPL stocks]

Investing.com · Aug 28

Affirm reported fiscal Q4 2026 revenue of $1.17 billion (up 33%) and gross merchandise volume of $14.1 billion (up 36%), calling it its most profitable quarter ever, with Affirm Card active users more than doubling to 5.2 million. Shares rose roughly 7-10% on Aug 28, and peers including Klarna (up about 6%) and Sezzle rallied as the collapse of the Advent-Stripe bid for PayPal removed a feared checkout consolidator.

WHY IT MATTERS

Affirm's record profitability signals BNPL is maturing from a growth-at-all-costs story into a durable, card-linked lending business. The sector-wide pop on the PayPal news is a reminder that BNPL valuations still swing on competitive structure as much as fundamentals—consolidation risk, not just credit performance, moves these names.

LENDING & CREDIT

NY Fed: credit-card 'distress' looks milder once charge-offs are stripped out

NY Fed Liberty Street · Aug 11

New York Fed researchers reconciled two diverging gauges of credit-card stress: the stock delinquency rate from credit reports rose from 7.6% in Q3 2022 to 12.8% in Q1 2026, while the flow of newly delinquent accounts has been broadly stable for nearly two years. The gap is driven by charged-off debts lingering on reports longer—about 80% of charge-offs are still reported a year later by lenders, versus 40% in 2004-2012. Excluding charged-off balances, all three measures align and show stability since 2024.

WHY IT MATTERS

For lenders this reframes a headline that has spooked markets: underlying repayment behavior is elevated but stable, not deteriorating. Once again, delinquencies (pre-charge) continue to be stable.

LENDING & CREDIT

Private-credit lenders pull back on payment-in-kind as loan-quality worries build

PYMNTS · Aug 11

Payment-in-kind provisions—which let borrowers defer cash interest—appeared in about 13.5% of new private-credit loans in Q2 2026, down from roughly 25% at the end of 2025, according to Lincoln International data reported by the Wall Street Journal. The pullback comes as investors increasingly read deferred interest as a warning sign in the $1.3 trillion US direct-lending market, and as the Dallas and New York Fed launch a pilot survey of the sector.

WHY IT MATTERS

The retreat from PIK is an early-cycle signal that private-credit underwriting is stiffening after years of loose terms—relevant to any lender competing with or funding direct-lending vehicles. Regulators' new survey suggests supervisory attention is catching up to a market that now rivals syndicated loans and high-yield bonds in size.

WHAT TO WATCH

Treasury's GENIUS Act stablecoin rulemaking enters its comment window

U.S. Treasury · Aug 17

Stay ahead of what's moving markets, regulation, and the business of banking.