

# HyperLend

## Tokenholder Report

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Q2 2026

**Blockworks Advisory**



## HyperLend Tokenholder Report, Q2 2026

Q2 2026 · Prepared by Blockworks Advisory

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### PREPARED FOR

**HyperLend**

**Blockworks Advisory**

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## SECTION 01

# Executive Summary

HyperEVM's leading lending market grew its loan book while the broader lending sector contracted for a third straight quarter.

**\$420M**

PROTOCOL TVL

+29% Q/Q

**\$92M**

USDC DEPOSITS

+45% Q/Q

**72%**

HYPEREVM LENDING  
SHARE

+15% Q/Q

**28%**

HPL STAKED / CIRC.  
SUPPLY

+186% Q/Q

HyperLend enters the second half of 2026 as the leading lending market on HyperEVM.

The quarter's story confirms HyperLend as the credit infrastructure for Hyperliquid users and assets.

HyperLend growth outperformed both counterparties in other chains and the growth of Hyperliquid ecosystem:

- Protocol TVL closed Q2 at roughly \$420M, up about 29% over the quarter, with deposits reaching \$673M and active borrows \$252M, a 46% increase in borrowing that outpaced deposit growth and produced a competitive APY.
- It generated about roughly \$274K (+37% Q/Q) as net interest income (\$1.1M run rate).
- Stablecoin deposits are now sitting at \$92M (up 45% Q/Q). HyperLend stablecoin supply rates have been the highest across the lending market for several weeks in the quarter.

This was achieved in a market context where:

- The broad lending sector on Ethereum lost 31% of deposits during the same period. HyperLend on the other hand was not impacted by the Kelp DAO hacks and utilization rates remained stable.
- Hyperliquid fees declined by -3.9% Q/Q.

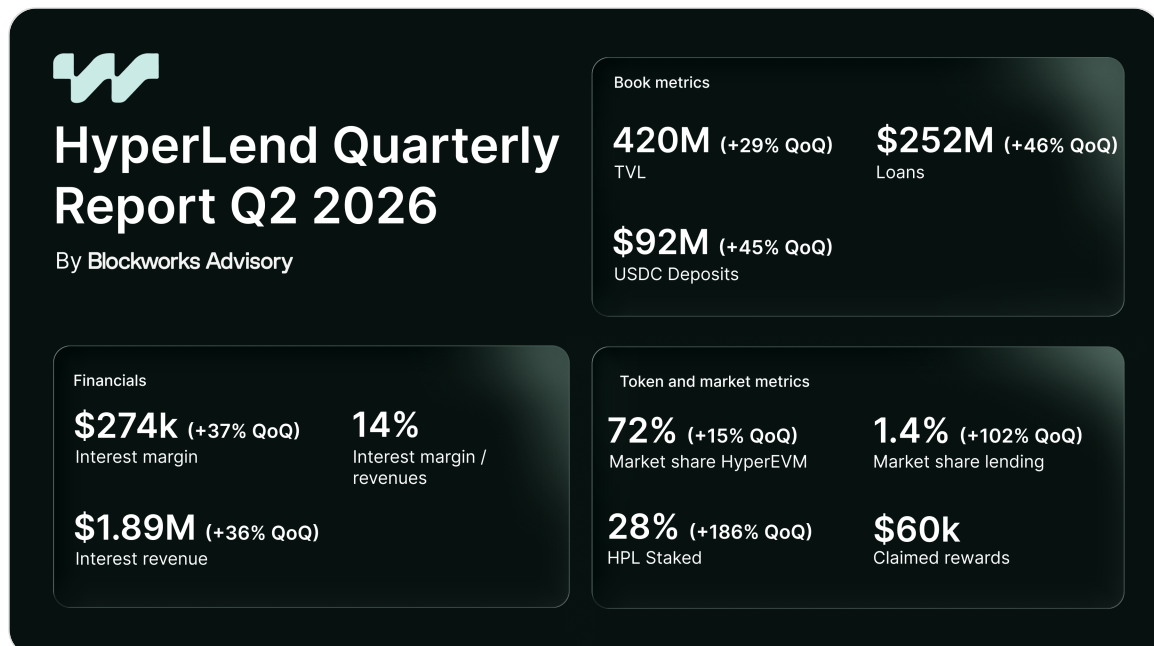
The Stake & Save program went live in Q1, shortly after January's token generation event. Awareness increased through Q2, bringing to roughly 28% of the token's

circulating supply staked. Holding staked HPL qualifies users for borrowing-rate rebates, tying the token utility to the protocol's core lending activity.

The institutional momentum of Hyperliquid is stronger than ever and HyperLend's bet to capture it is Aviya, a fixed-rate credit venue. HyperLend was engaged by Hyperion DeFi (NASDAQ: HYPD) to build a permissioned, Hyperliquid Ecosystem-native lending facility.

Key metrics:

- +45% USDC supply increase;
- +29% TVL increase Q/Q;
- 72% of market share in HyperEVM lending (+15% Q/Q);
- 28% of circulating supply of HPL is staked (+186% Q/Q);



## SECTION 02

# Management Commentary

Across DeFi, lending deposits fell 25% in Q2, a third straight quarter of contraction. HyperLend's deposits climbed 34.6% to \$672.7M. The market leader lost almost 45% of its deposits, while our active borrows grew 46.0% and revenue recovered as the loan book kept expanding. This is the kind of quarter a lending business is judged on, the second straight one where our book grew in a shrinking sector, the pattern that marks an enduring credit franchise rather than a one-quarter rate trade.

**This is the kind of quarter a lending business is judged on, the second straight one where our book grew in a shrinking sector.**

We hold 72.1% of HyperEVM's active loans against 63.9% of its deposits, and no other active credit market on Hyperliquid is close. For several weeks we paid the lending market's highest stablecoin supply rates, and borrows still grew, so demand paid the premium. Morpho is the only comparable deployment here, and it runs a curator model whose books have lagged ours.

Available liquidity stood at \$424.2M. USDC deposits grew 45% to \$92M and remain the rate-sensitive 14% of the book, the only large position outside HYPE and its derivatives. The rest is collateral, held to borrow against, and it stays for the loan. When deposits leave, utilization rises, and the higher rate that follows pulls them back. Neither side had a reason to leave this quarter, and neither did.

Gross interest originated was \$1.90M, up 42%. Net interest income was \$274K, or 14% of gross interest, down from 15%, because the rates that won the deposits grew interest expense 43%. We accept that trade while the book scales. Interest on the loan book made up 99.6% of fee income, and it recurs. Stakers earn a rebate on their borrow rate, funded by a reserve that borrower interest replenishes, so the rebate is only as valuable as the borrowing behind it. The book grew 46%, and the loop closes only when stakers borrow.

A first cohort of stakers has begun to borrow against the rebate. Staked supply reached 28% of circulating HPL, up 186% to 112M tokens, while cumulative rebates issued and claimed remain in the tens of thousands of dollars. The base is built, and the opening now is to draw more of it into borrowing, where the rebate turns a staked position into a cheaper loan. Staking still runs ahead of the borrowing it exists to produce, and the Q3 test is whether more of those positions convert into loans. We will report that conversion each quarter as it happens rather than forecast it.

Total assets reached \$674.3M and utilization rose to 37.5% from 34.6%. At \$252.3M, against \$172.8M in Q1, the loan book sits within 10% of its Q3 2025 peak, a quarter that produced nearly three times the revenue on rates that have not returned. Each 100 basis points of recovered rate on today's book is roughly \$2.5M of annualized gross interest, about \$350K retained. When pricing normalizes, a pooled book reprices at once, whereas curated vaults capture the move one position at a time.

The downside deserves the same directness. Roughly 83 cents of every deposited dollar is HYPE, native or liquid-staked, so a steep sell-off would drag borrow demand and collateral values down together, and a liquid-staking derivative trading off its underlying would impair collateral independently of price. Institutional credit is announced but not funded, and the open question is whether early facilities convert into a working book. The competitor most able to pressure us is a multi-chain lender willing to commit a dedicated team here the way we have. Each of these shapes how we set parameters today.

Perpetuals volume on Hyperliquid reached \$652B, up 3.0%, and spot volume grew 5.4% to \$16.1B. Builders on Hyperliquid's HIP-3 framework now run perpetuals on a licensed S&P 500, other equity indices, and pre-IPO names, and over the quarter these real-world-asset markets grew to roughly \$3B of open interest. We treat a new listing as a collateral class someone will eventually want to borrow against, admitted only once it clears the standard the rest of the book already meets. We lend against Hyperliquid, and that is the only business we run on it.

One quarter ago we named the ambition to become the Credit Layer of Hyperliquid, a claim about conduct rather than size, and this quarter's record backs it up. We held 72.1% of the venue's active loans and won the deposits behind them at 43% higher interest expense without softening a single parameter. Loans in our public pools sit in a shared market where losses are mutualized rather than dropped on one lender. Borrowing grew 46% under that discipline.

The ambition also reaches past the public pools, and this quarter we gave our institutional credit arm a name. Aviya offers institutional credit on Hyperliquid, beginning with bilateral fixed-rate facilities built on the same technology that runs HyperLend, with natively staked HYPE as the initial go-to-market, collateral that earns yield while backing the loan. Every counterparty clears compliance first, and a qualified custodian is available to those who want one without being required. Hyperion DeFi, listed on NASDAQ as HYPD, is a strategic partner in Aviya. As facilities fund, their borrowing feeds the HPL rebate, so institutional demand accrues to the token. Maple's roughly \$2B Ethereum book gives the segment

scale, since a tenth of it approaches 80% of our pooled loan book, and equities and tokenized real-world assets listing on Hyperliquid widen it. None of it is funded yet, and we will report the book as it funds rather than project capture.

The restraint behind these figures is easy to miss amid the growth. Deposits grew 34.6% while the market leader shed almost 45% of its own, and we took those inflows without loosening what we lend against. Our margin slipped to 14% from 15% because we absorbed the cost of the deposits rather than pass it to borrowers. Aviya launches with no revenue in these numbers, and none will be recorded until a facility actually funds. Each was a deliberate choice against an easier alternative, made by the people who run the protocol, and these numbers reflect those choices.

Q2 closes with two commitments made and neither yet at scale. The first few stakers have begun to borrow against the rebate, and Aviya has not funded its first loan. Q3 is for delivering both at scale, and the next report will show whether we did, the same way this one showed a book that keeps compounding while the sector keeps shrinking. That durability is what a credit franchise is built to prove.

Shimon  
Chief Operating Officer, HyperLend

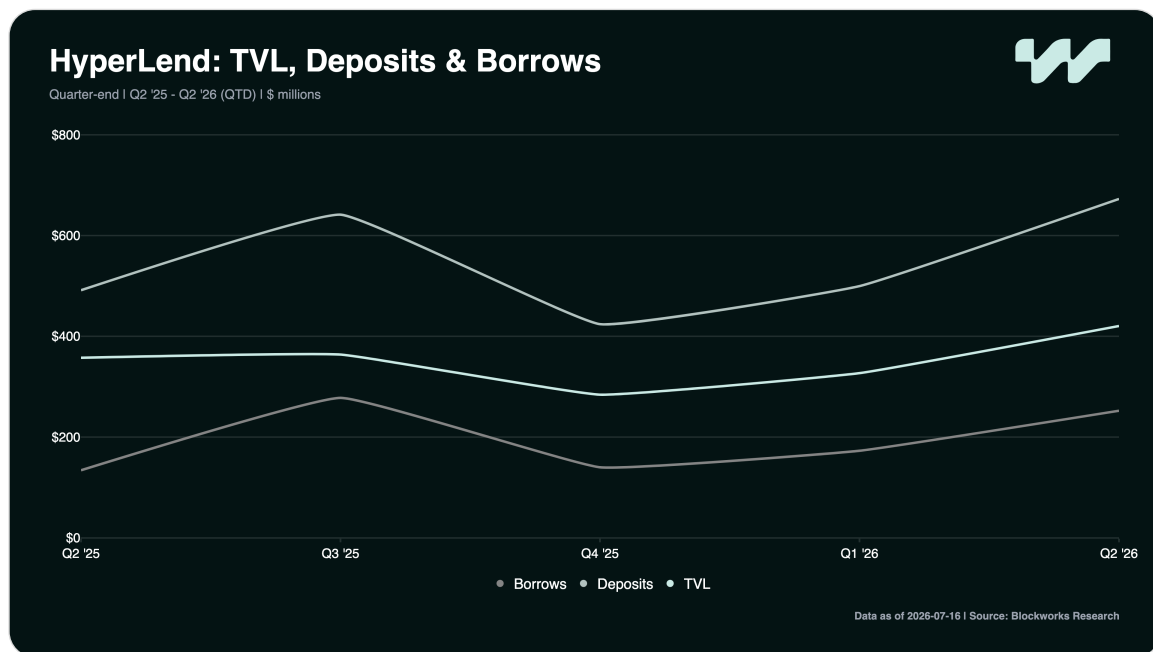
## SECTION 03

# Financials

## Balance sheet

TVL closed the quarter at approximately \$420M, up 28.6% from roughly \$327M at the end of Q1.

This recovery is significant given that TVL had fallen from \$364M in Q3 2025 to \$284M by year-end before rebuilding throughout the first half of 2026. Deposits grew to \$673M, a 34.6% increase for the quarter, while active borrows rose by 46% to \$252M.



As borrowing growth outpaced deposits, utilization increased from roughly 35% to 37.5%, a sign of capital efficiency as the protocol puts more assets to work.

## HyperLend: Balance Sheet

Quarterly | Q2 '26 - Q3 '25



| Line Item                | Q2 '26        | Q1 '26        | Q4 '25        | Q3 '25        |
|--------------------------|---------------|---------------|---------------|---------------|
| <b>Total Assets</b>      | \$674,296,114 | \$500,941,007 | \$425,079,074 | \$642,092,399 |
| Loans Collectible        | \$249,288,731 | \$172,818,734 | \$139,980,670 | \$277,756,942 |
| Available Liquidity      | \$424,175,480 | \$326,862,378 | \$284,154,441 | \$363,731,699 |
| Treasury                 | \$1,831,903   | \$1,259,894   | \$943,963     | \$603,758     |
| <b>Total Liabilities</b> | \$672,464,211 | \$499,681,113 | \$424,135,111 | \$641,488,640 |
| Deposits                 | \$672,464,211 | \$499,681,113 | \$424,135,111 | \$641,488,640 |
| <b>Total Equity</b>      | \$1,831,903   | \$1,259,894   | \$943,963     | \$603,758     |

Data as of 2026-07-13 | Source: Blockworks Research

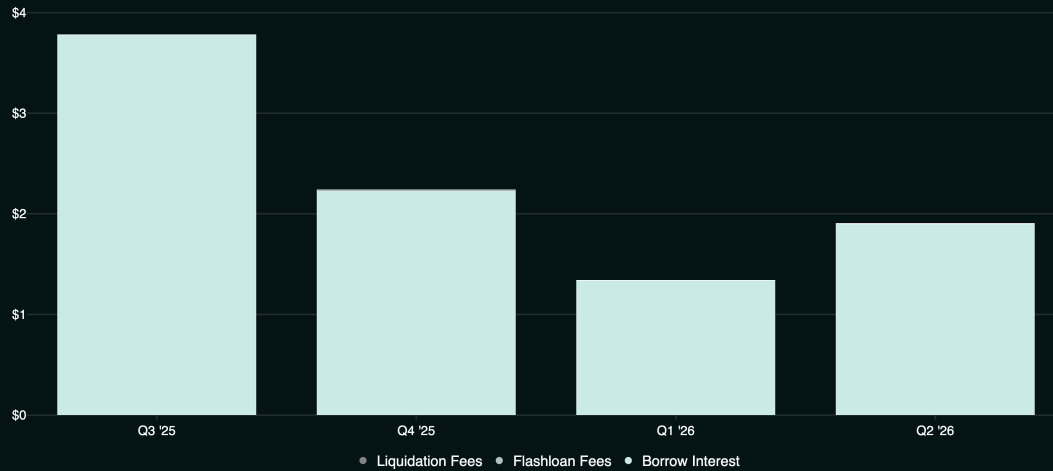
## Income statement

The income statement is a clean read on a growing loan book. Total revenue net interest income plus fees reached \$281K, up 37.7% from \$204K in Q1. Nearly all of it is net interest income: HyperLend booked \$1.89M of gross interest revenue against \$1.63M of interest expense paid back to depositors, retaining \$274K as net interest income (up 36%). The spread barely moved: the protocol kept about 14% of gross interest as net income, versus 15% in Q1, as deposit costs rose fractionally faster than what borrowers paid.

Fee income is the smaller and more volatile line, and it should be read with care. Non-interest income more than doubled quarter-over-quarter to \$7.2K, but off a negligible base and from episodic sources liquidation fees (\$5.6K) and flashloan fees (\$1.6K, up from near zero). Both are immaterial beside interest and neither recurs predictably; the +134% headline reflects a handful of liquidation events, not a durable new stream. Borrow interest remains essentially the entire business, as the fee-by-source breakdown below makes plain.

## HyperLend: Fees by Source

Quarterly | Q3 '25 - Q2 '26 | borrow interest is the recurring engine | \$ millions



Data as of 2026-07-16 | Source: Blockworks Research

## HyperLend: Income Statement

Quarterly | Q2 '26 - Q3 '25



| Line Item                  | Q2 '26       | Q1 '26       | Q4 '25       | Q3 '25       |
|----------------------------|--------------|--------------|--------------|--------------|
| <b>Total Revenue</b>       | \$281,103    | \$204,112    | \$429,784    | \$762,357    |
| <b>Net Interest Income</b> | \$273,914    | \$201,037    | \$419,460    | \$755,129    |
| Interest Revenue           | \$1,899,222  | \$1,337,303  | \$2,230,041  | \$3,775,666  |
| Interest Expense           | -\$1,625,308 | -\$1,136,265 | -\$1,810,580 | -\$3,020,536 |
| <b>Non-Interest Income</b> | \$7,188      | \$3,074      | \$10,323     | \$7,227      |
| Fees                       | \$7,188      | \$3,074      | \$10,323     | \$7,227      |
| Flash Loan Fees            | \$1,606      | \$5          | \$2          | \$1          |
| Liquidation Fees           | \$5,582      | \$3,070      | \$10,322     | \$7,226      |
| <b>Total Income</b>        | \$281,103    | \$204,112    | \$429,784    | \$762,357    |

Data as of 2026-07-13 | Source: Blockworks Research

## SECTION 04

## Revenue Drivers

### Borrow interest is the engine

In Q2, recurring borrow interest accounted for essentially all protocol fees, about \$1.89M (+37% Q/Q). Flashloan fees (~\$1.6K) and liquidation fees (~\$7.6K) are real but immaterial to the top line.

### Staking as a borrow-demand lever

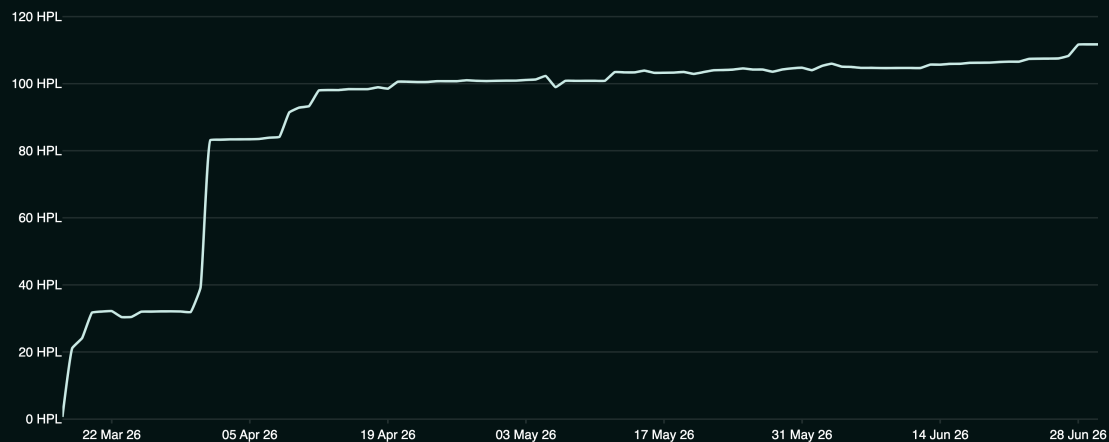
The mechanism that connects HyperLend's token to its revenue is the Stake & Save rebate program. Users stake HPL to receive sHPL, which automatically qualifies them for borrowing-rate rebates: higher staking tiers unlock larger discounts, up to a maximum 80% reduction, with a minimum 10,000 HPL stake before the borrow portion of the rebate applies.

The design intent is a flywheel: cheaper borrowing for stakers should stimulate borrow volume, which generates the interest that makes staking worthwhile. This design is unique in the lending protocol landscape and aligns protocol usage to token demand.

The adoption data shows the staking side of that loop working, HPL staked grew 186% during Q2 to 112M tokens. So far, almost \$60k USD has been saved by users through reserve factor rebates.

## HyperLend: HPL Staked Over Time

Daily | staking launch (Mar 2026) - Q2 close | sHPL adoption | millions



Data as of 2026-06-30 | Source: Blockworks Research

## SECTION 05

# Protocol Analysis

## Architecture and differentiators

HyperLend is an Aave V3-derived money market, offering three market structures: Core Pools for multi-asset lending, Isolated Pools for risk-segmented assets, and P2P Pools for bespoke loans. Two HyperEVM-native primitives distinguish it from a vanilla fork.

First, wHLP lets depositors post tokenized Hyperliquid vault shares as collateral and borrow against them without unwinding the underlying position. Second, exchange-rate oracles for liquid-staking tokens such as wstHYPE and kHYPE price collateral against. A defensive feature set, Liquidation Guard and Cap Automator, rounds out the risk tooling. Besides, HyperLend is betting on institutional adoption with the launch of fixed rates loans (more on this later).

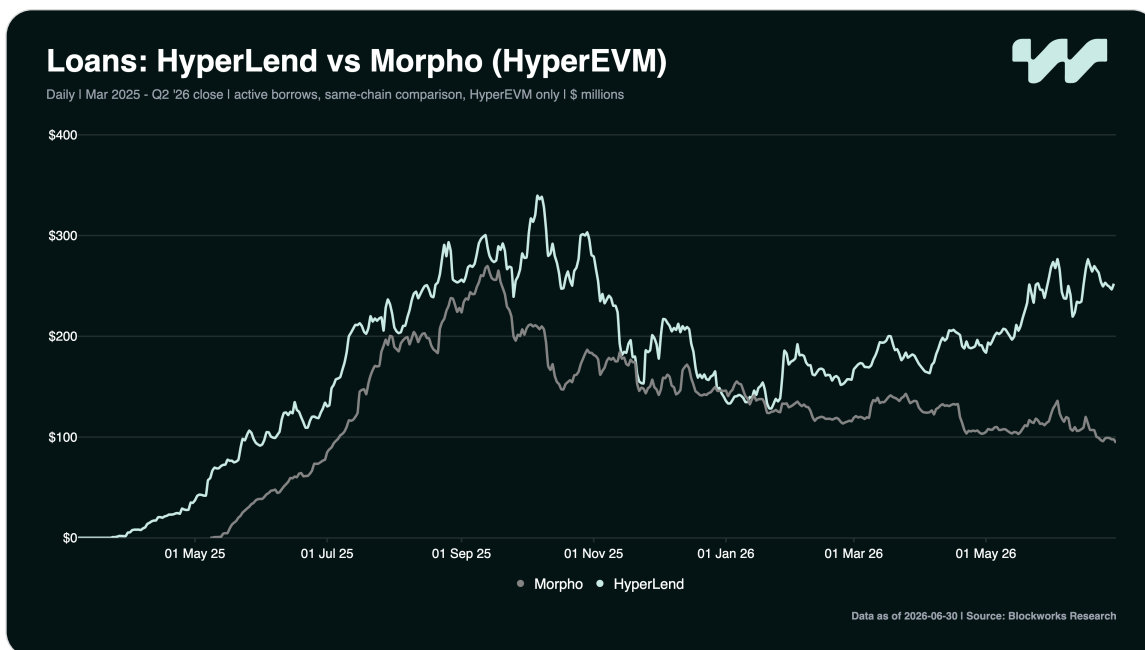
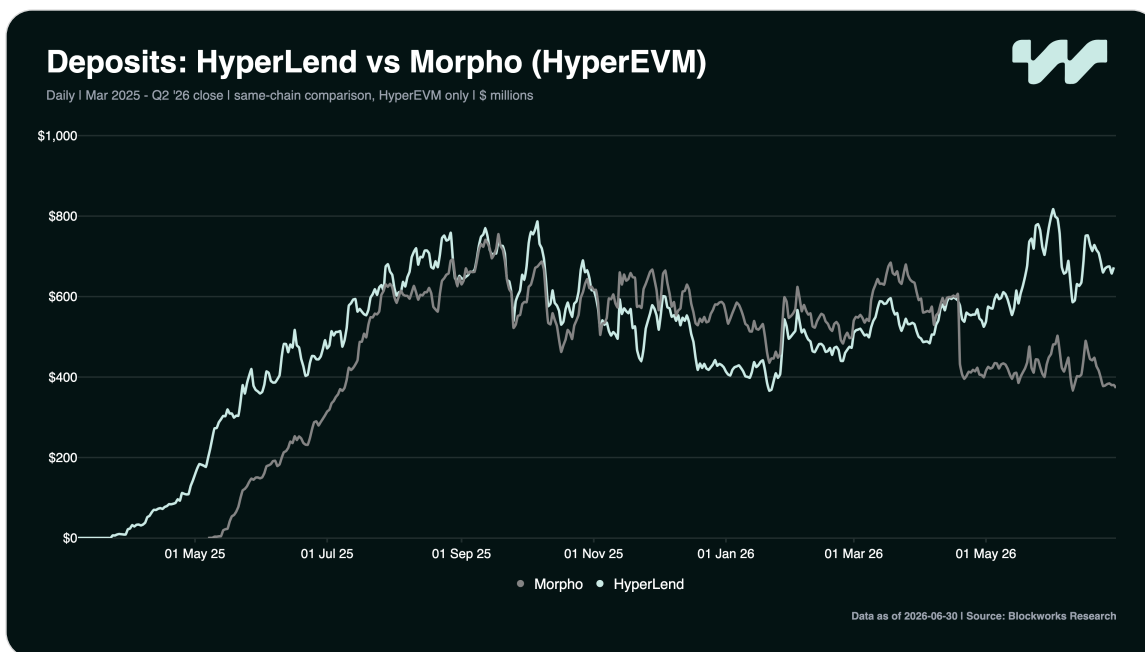
On the security aspect, HyperLend has announced the launch of the Veto Council to enhance and optimize security measures for the protocol. The Veto Council consists of core partners, investors, and key members of the Hyperliquid community, serving as a backup mechanism to cancel queued multi-signature transactions if the core team faces any threats. Another risk management mitigation strategy is provided by cap automators, which ensure rate limits and controls in time of stress, limiting the value at risk of the protocol.

It is important to highlight that the collateral listed on HyperLend does not bear any cross chain risk, and is not highly correlated with other venues in the EVM. During the Aave Kelp incidents, utilization did not spike and the market was not affected.

## Competitive position

HyperLend is the largest lending protocol on HyperEVM: it is the front-runner in a two-horse race with Morpho (whose main curator is Felix on HyperEVM).

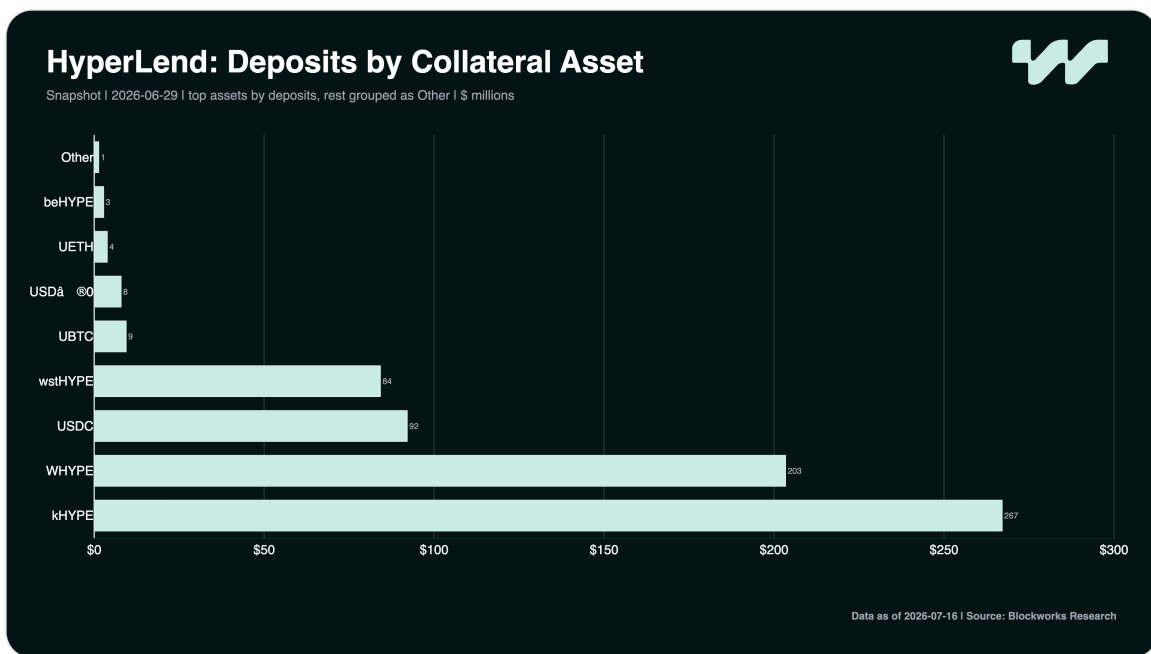
- Deposits: HyperLend \$672.7M vs Morpho \$380.4M → HyperLend ≈ 63.9% share
  - Loans: HyperLend \$252.3M vs Morpho \$97.7M → HyperLend ≈ 72.1% share
- HyperLend leads Morpho on both metrics on HyperEVM.



## Collateral concentration

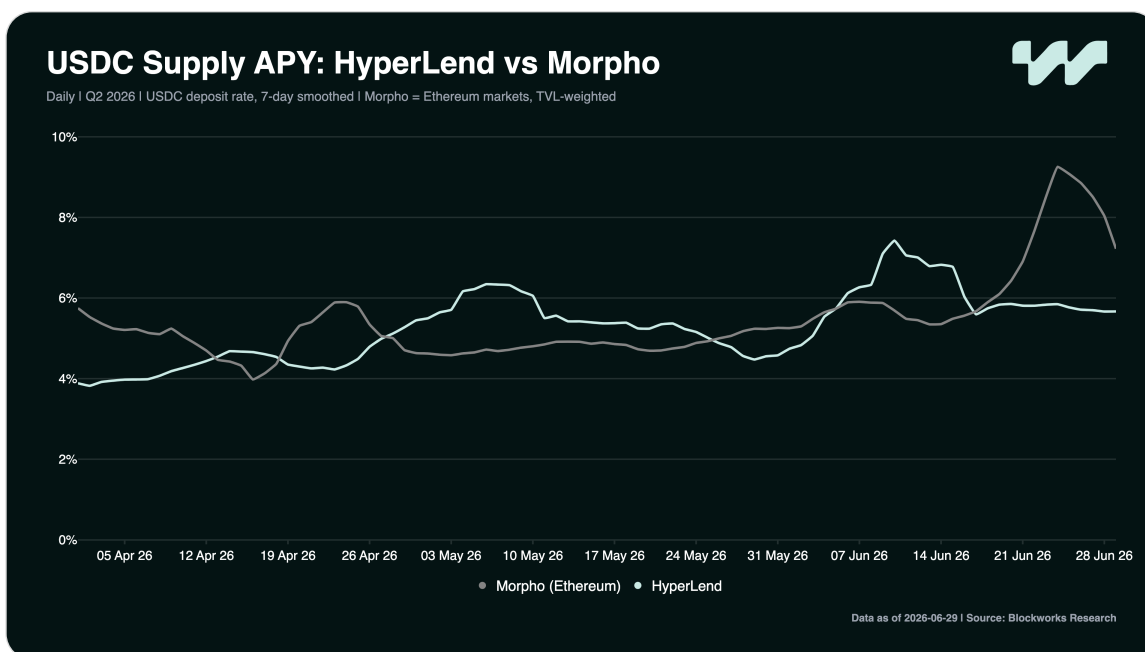
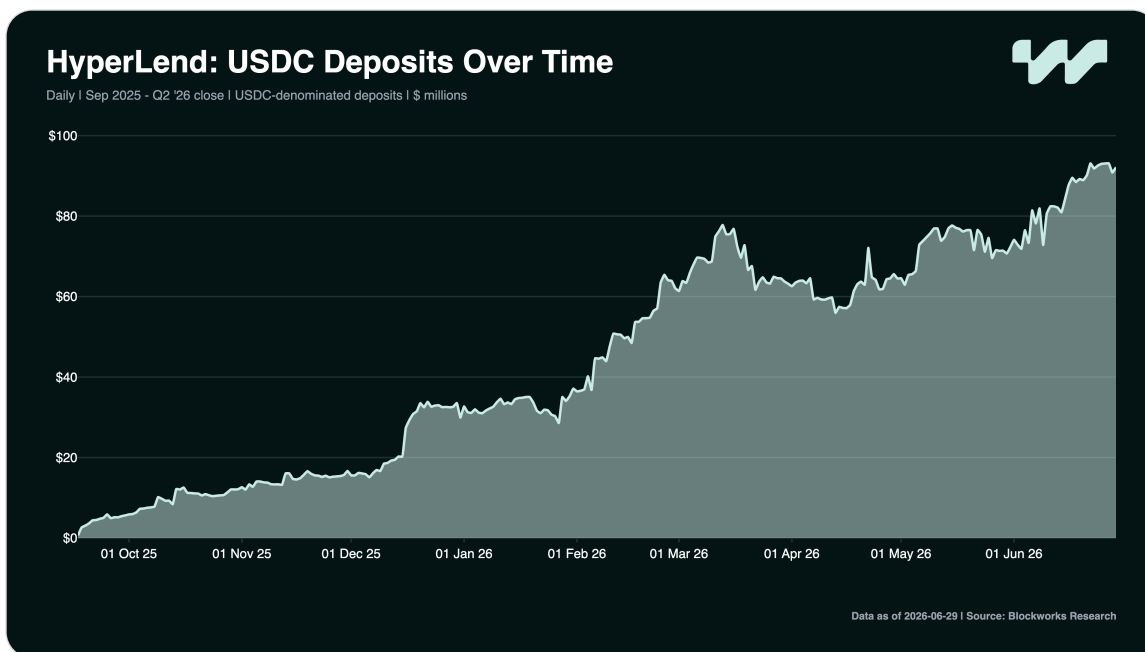
HyperLend collateral set is mostly composed by HYPE LSTs.

At quarter-end, kHYPE alone accounted for about 40% of deposits (\$267M), WHYPE another 30% (\$203M), and wstHYPE 12% (\$84M), meaning HYPE and its liquid-staking derivatives together backed roughly 83% of all deposits.



USDC, at 14%, is the only large non-HYPE position. This is logical for the credit layer of a HYPE-centric ecosystem, but makes HyperLend's collateral health close to a single asset's price and to the integrity of its LST oracles. Diversifying the collateral base, more RWAs and new asset types are on the near-term roadmap.

The growth of USDC deposits was relevant (+ 45% Q/Q), sustained by rates that are often higher than Morpho.



## Crossing the institutional chasm

The institutional momentum of Hyperliquid is stronger than ever: launching of institutional products (S&P 500 perpetual), trading outside market hours and pre-pio markets have all attracted awareness to the ecosystem. Besides, custodians are adding support for HyperEVM to support growing demand.

As institutional flow is coming to Hyperliquid, HyperLend is trying to be the credit layer to serve the market. The opportunity is to list new assets and build new institutional facing products. The team announced Aviya, a fixed-rate credit venue, offering facilities initially collateralized by staked HYPE (whose market caps exceeds \$1B), with a stated path toward tokenized real-world assets. The distribution partner for this facility is Hyperion. The product's unique selling point is offering institutions fixed rate loans collateralized by yield bearing HYPE.

There is clear demand for this type of lending facility on other chains (for instance, Maple manages a \$2b book on Ethereum), and the institutional adoption of HYPE and related yield bearing versions suggest that the segment is about to grow in the HyperEVM space as well.

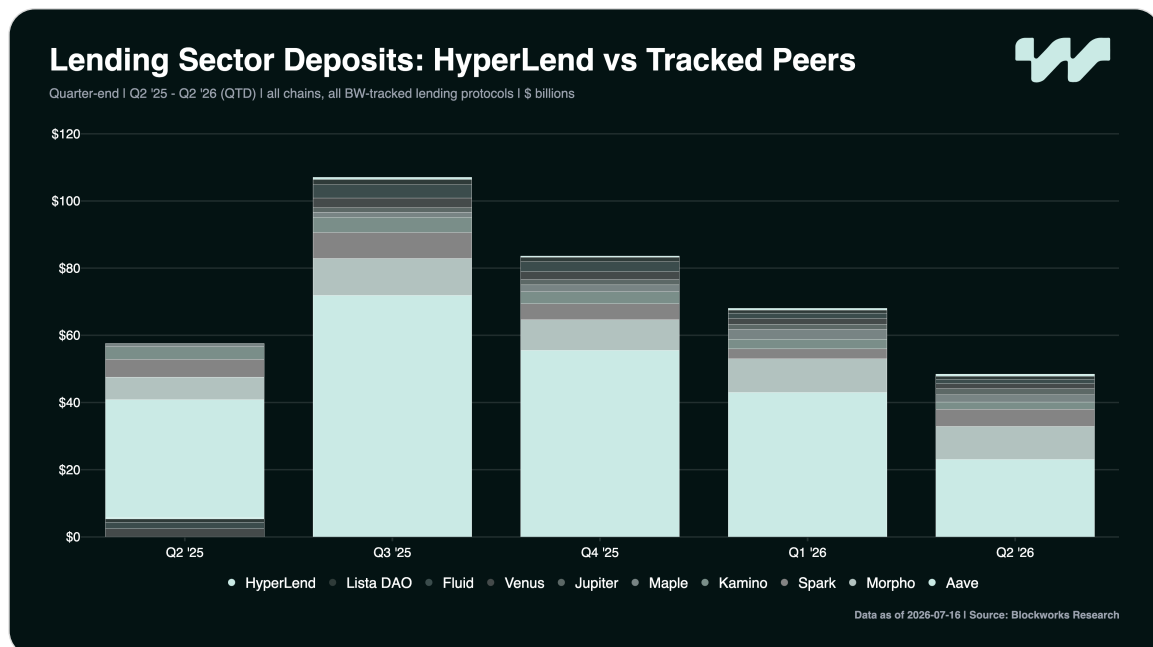
## SECTION 06

## Sector Overview

The market context of Q2 has been bearish for the crypto sector and for lending.

Q2 2026 was a reversal quarter for crypto assets. Total crypto market capitalization fell 6.2% quarter-over-quarter, from \$2,324.0B at the end of Q1 2026 to approximately \$2,180B at June 30. Performance was mixed: an early rally gave way to renewed selling pressure. The decline became broad-based in the second half of the quarter as altcoins underperformed.

The broad lending sector contracted in Q2 for the third consecutive quarter. Deposits fell 25%, with the market leader losing almost 45%. HyperLend market share doubled during the quarter, from 0.73% to 1.4%.

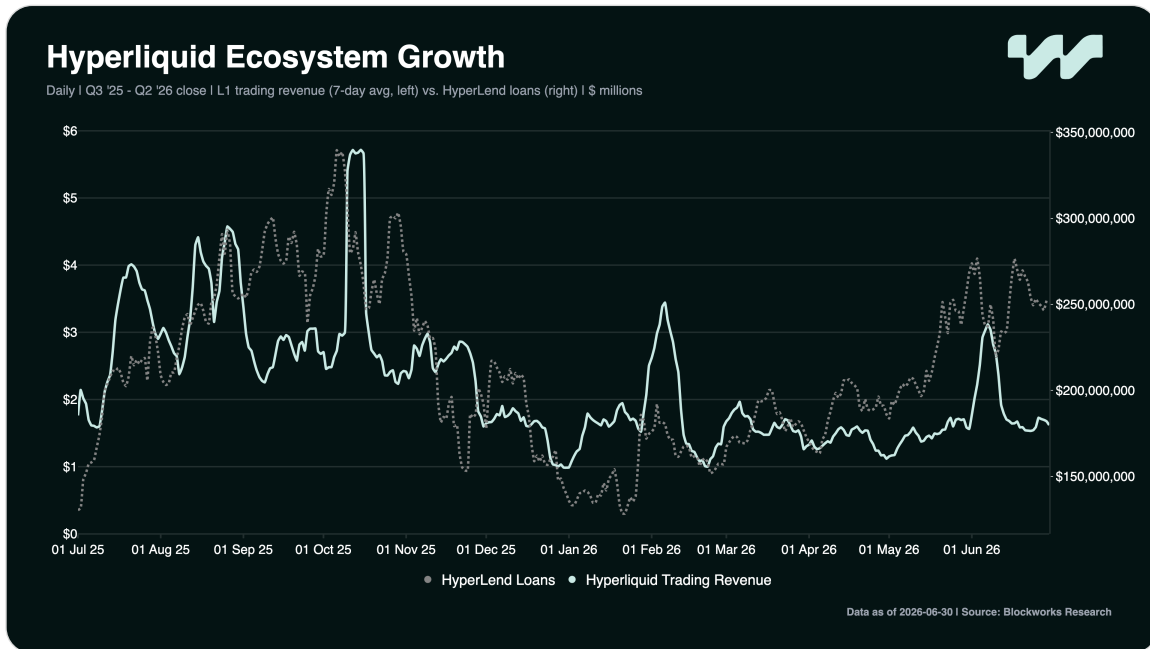


Through the Aave incident (industry-wide trust shock), HyperLend held liquidity and utilization steady. The pooled model held under conservative risk management

(core assets only HYPE, LSTs and no crosschain exposure), which positions HyperLend as an increasingly credible alternative compared to more mature peers.

Regarding the ecosystem comparison, HYPE made new highs and was among the top performing tokens of Q2. That said, the growth of fees and active loans on HyperLend outpaced the Hyperliquid trend in the same period.

However, the Hyperliquid adoption metrics have been strong:



- Spot trading volume: \$15.28B (Q1 total) → \$16.10B (Q2 total) +5.4%. Modest QoQ growth, and Q2 doesn't come close to the highs made in summer '25.
- Perps volume grew +3.0% QoQ (\$633B → \$652B).

## Hyperliquid: Perps Open Interest

Daily | Q3 '25 - Q2 '26 close | open interest across all perp markets | \$ billions



Data as of 2026-06-30 | Source: Blockworks Research

## SECTION 07

## Closing Summary

HyperLend closed Q2 2026 with a stronger posture and positioning, with double digits growth in several metrics while the rest of the market is bearish.

The credit infrastructure thesis is supported by the metrics, and the team is positioning to ride the institutional wave on Hyperliquid.

There are three main trends to look for the next quarter:

- First, whether staking adoption converts into measurable borrow demand from SHPL holders, the rebate flywheel is built and being adopted, but not yet visible in rebate volume.
- Second, whether the institutional rails laid this quarter (Aviya) generate real activity rather than remaining pilots.
- Third, whether HyperLend diversifies its collateral base meaningfully beyond HYPE and its liquid-staking tokens, which today back over 80% of deposits. New institutional assets like equities and commodities landing on Hyperliquid represent a clear opportunity to do that.

HyperLend's bet is to become the Hyperliquid credit layer, tightly integrated with HYPE, its liquid-staking tokens and its growing institutional audience.

## APPENDIX

# Disclosures

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