Kamino (KMNO)

Tokenholder Report

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Q2 2026

Blockworks Advisory

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SECTION 01

Executive Summary

Two ecosystem stress events tested the platform. Kamino absorbed both with zero bad debt while the Ethena Market became the fastest scaling launch in its history.

$1.84M	$529M	<37%	41.0%
TOTAL REVENUE	ETHENA MARKET DEPOSITS	LARGEST SINGLE MARKET SHARE	LOAN-TO-DEPOSIT RATIO
-10.6% QoQ	launched in May	diversified market mix	+1.8 pts QoQ

Kamino ended Q2 2026 as Solana's largest lending protocol and continued its evolution from a lending product into a broader platform for scaling assets onchain. Where Q1 provided early evidence of that expansion through RWA growth, Q2 tested the durability of the underlying platform. The protocol operated through two significant ecosystem stress events without incurring bad debt. On April 1, Drift was exploited for $285M, creating a period of disruption across Solana DeFi. In early June, SOL declined to a quarterly low and triggered broad deleveraging. Kamino processed both events without loss to depositors, preserving its record of zero bad debt since inception. Market isolation held throughout, and tokenized asset markets continued operating while crypto collateral repriced.

Kamino generated $1.84M in total revenue during Q2 2026, comprising $1.58M in net interest income and $37.3K in liquidation fees on $14.01M in gross interest processed across its isolated lending markets. Revenue declined 10.6% quarter over quarter, reflecting softer demand for crypto leverage through the June SOL drawdown, with net interest margin stable at 11.3%, compared to 11.7% in Q1. End of quarter deposits stood at $2.29B with $940M in outstanding loans, producing a loan to deposit ratio of 41.0%, up from 39.2% at Q1 end.

The defining development of Q2 was the launch of the Ethena Market. Introduced in May as a dedicated venue for looping USDe through a purpose-built Multiply vault with auto compounded yield, the market hit its $200M borrow cap on day one. Deposits surpassed $420M by the end of the first day and exceeded $500M

within 72 hours, making it the fastest scaling market in Kamino's history. It closed the quarter at $528.6M in deposits and $239.4M in outstanding loans, representing 23% of total deposits and the second largest market. Together with reduced Main Market concentration, this left Kamino with a more evenly distributed deposit base across crypto-native and real-world assets, with no market accounting for more than 37% of deposits.

Product development continued to broaden Kamino's addressable deposit and borrower base. The offchain collateral program with Anchorage Digital and Solana Company (HSDT) completed its first full quarter of operation, tokenized equity coverage expanded through the xStocks and STRCx markets, and consumer distribution launched through Solflare, SwissBorg, and XPlace. Fixed rate lending advanced toward production, with launch scheduled for Q3. Taken together, these capabilities extend Kamino's infrastructure into institutional offchain collateral, tokenized equities, and fixed rate credit, progressing the platform as the infrastructure layer for institutional finance and tokenized assets on Solana.

SECTION 02

Management Commentary

Q2 continued the platform expansion we set out at the start of the year. Across Kamino, we advanced new credit and yield products, expanded the infrastructure available to institutions and professional managers, and continued hardening the protocol itself.

The first curator-managed markets launched on Kamino during the quarter, setting the precedent for what will become a vibrant ecosystem of curator and institution-managed credit markets built on Kamino's infrastructure. We see a clear opportunity for professionally managed funds to scale on-chain with the right infrastructure to build on.

Accordingly, the curation experience across vaults and markets was a key focus area during Q2. We developed and released curator infrastructure, including a proprietary Kamino Management dashboard product, as well as significant advancements to Kamino BuildKit. We are giving managers and their clients access to the same production systems supporting Kamino's own markets today — from oracle infrastructure, to risk controls, to incentive management, and more. Alongside this curator infrastructure growth, we continued investing heavily in security hardening and opsec maturity, as we have throughout the protocol's three years in production.

Q2 saw major progress on a flagship product we have yet to mention in public at all: Kamino Vaults V2 is now code-complete and in audit, with launch expected in Q3. This brings a major evolution to the current Vaults product, materially expanding the range of strategies curators can build and manage, alongside tighter allocation and risk controls, and more powerful automation and rebalancing infrastructure. We are building Kamino to be the industry leader for institutional credit markets, and professional vault curation.

Another significant development is that Kamino's Institutional Yield Vault infrastructure is now entering production, connecting off-chain credit markets with on-chain capital allocators. Kamino Fixed Rates is targeted for a Q3 launch, and will introduce fixed-rate architecture that ties seamlessly into Kamino's existing credit infrastructure.

Q3 will bring several of these products and integrations to market. Kamino itself is also preparing for the scale of the next phase with significant growth within the team. We are excited to share more soon.

SECTION 03

Protocol Financial Performance

Revenue Performance

Kamino: Income Statement

	Q2 2026	Q1 2026	Q4 2025	Q3 2025
Total Revenue	**$1.84M**	**$2.05M**	**$2.95M**	**$4.70M**
Net Interest Income	**$1.58M**	**$1.70M**	**$2.58M**	**$4.06M**
Interest Revenue	$14.01M	$14.61M	$20.59M	$30.32M
Interest Expense	($12.43M)	($12.91M)	($18.01M)	($26.26M)
Non-Interest Income	**$0.26M**	**$0.35M**	**$0.37M**	**$0.64M**
Liquidation Fees	$0.04M	$0.15M	$0.03M	$0.21M
Liquidity Fees	$0.22M	$0.20M	$0.34M	$0.41M

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

Kamino: Income Statement, last four quarters. Source: Blockworks

Kamino generated $1.84M in total revenue in Q2 2026, comprising $1.58M in net interest income (NII), $219.6K in liquidity fees (swap fees earned by Kamino's automated liquidity vaults), and $37.3K in liquidation fees. A total of $14.01M in gross interest flowed through the protocol, of which $12.43M (88.7%) was distributed to depositors as yield. The remaining $1.58M (11.3%) was retained as NII, the protocol's core revenue stream.

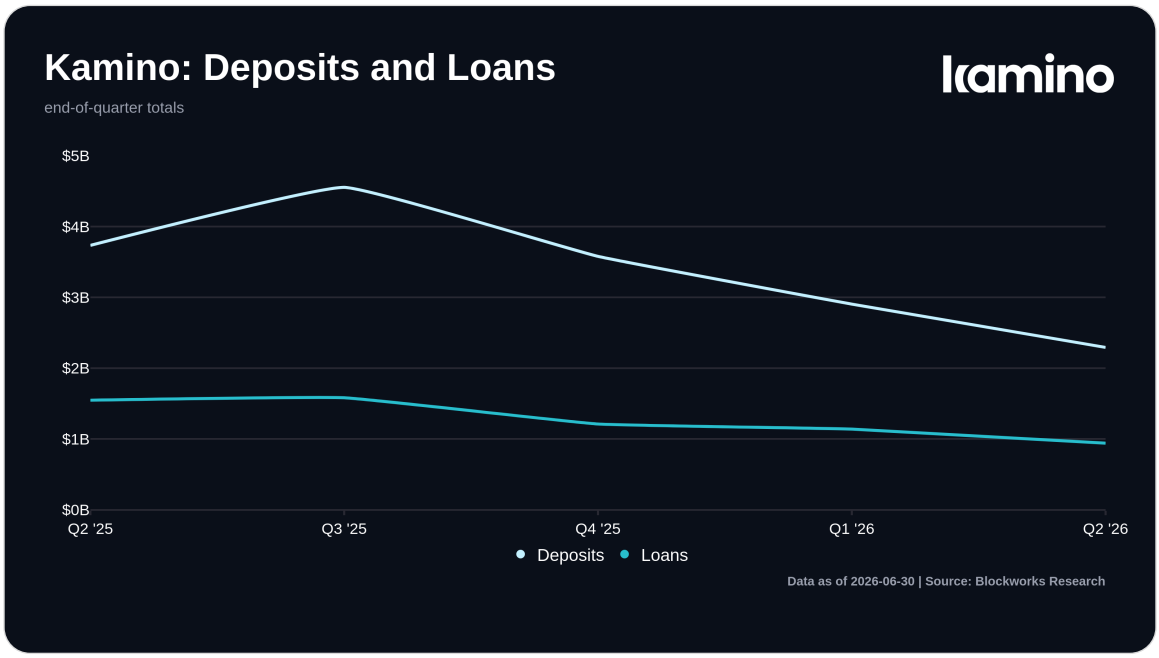
The 10.6% QoQ decline in revenue reflected softer demand for crypto leverage through the June SOL drawdown, with net interest margin easing to 11.3% from 11.7% in Q1. Gross interest fell 4.1% against a 21.1% decline in deposits, as the

asset mix shifted toward markets whose demand derives from origination pipelines and underwriting activity rather than crypto market direction. Monthly NII rose from $536K in April to a May peak of $609K before declining to $434K in June as the drawdown reduced leverage demand.

Deposits and Loans

Broad Trends

Kamino's deposit base declined through Q2 2026. End-of-quarter deposits fell 21.1% to $2.29B, down from $2.9B at the end of Q1, while loans declined to $940M from $1.14B. Net withdrawals accounted for $569M, or 93%, of the $612M deposit decline, while net repricing accounted for the remaining $43M. Deposits declined by $478M in April, including $437M of net withdrawals concentrated in RWA markets during a period of broader ecosystem de-risking. May reversed with a $253M increase in deposits, supported by $153M of net inflows. Deposits then declined by $386M in June, comprising $285M of net withdrawals and approximately $101M of repricing as SOL fell by more than 10%. With borrowers broadly maintaining leverage, Kamino's loan-to-deposit ratio rose to 41.0%, up from 39.2% at Q1 end.

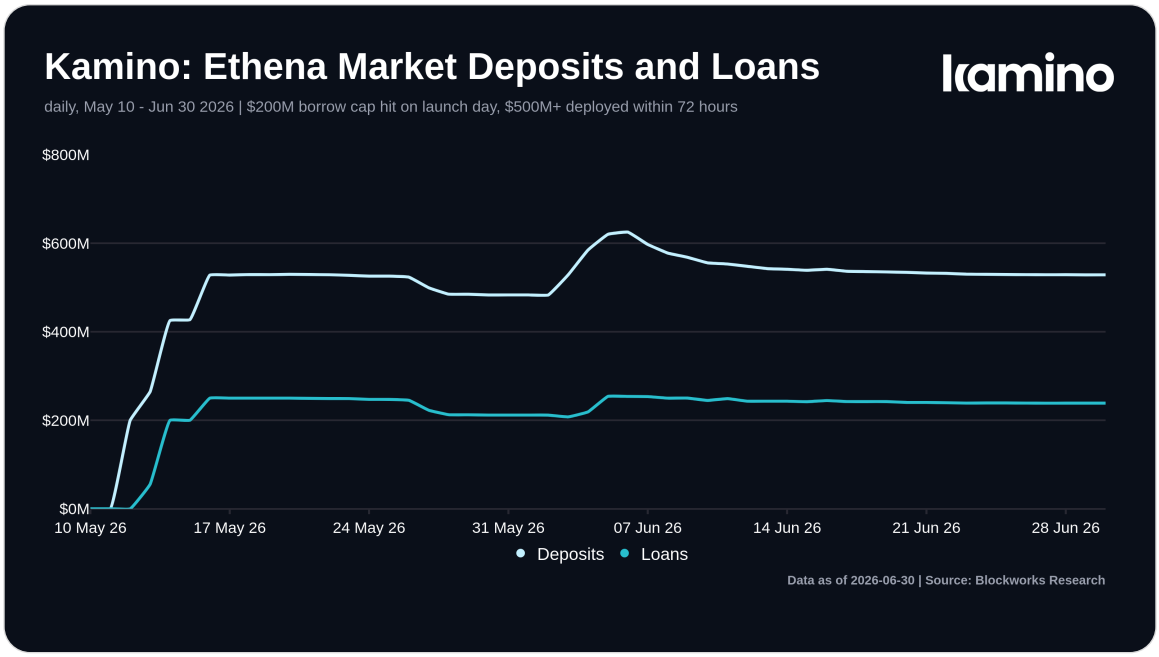


Kamino: Deposits and Loans, end of quarter. Source: Blockworks

The Ethena Market

The Ethena Market was the fastest-scaling market launch in Kamino's history. Introduced in May to enable USDe looping through a dedicated Multiply vault with automatic compounding, it reached its $200M borrow cap by the end of its first day, alongside more than $420M in deposits. That marked the fastest pace at which any Kamino market had crossed $400M, and deposits exceeded $500M within 72 hours. Deposits stood at $483.2M at May end and $528.6M at quarter end, while outstanding loans rose from $211.7M to $239.4M over the same period.

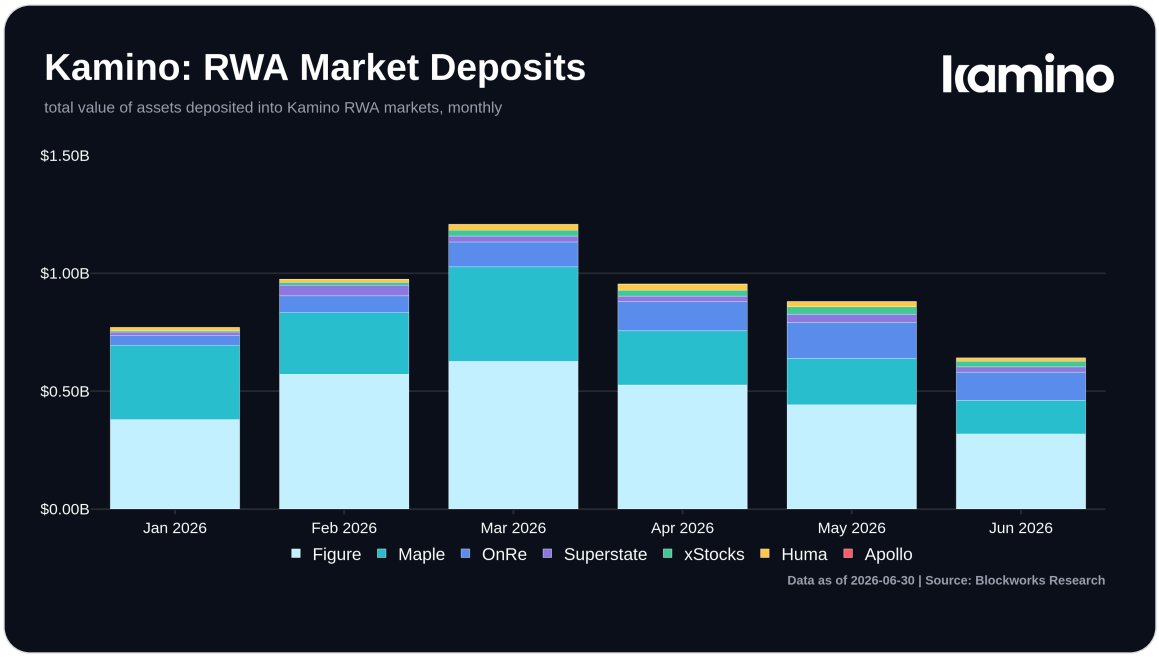
During June, borrowing in the market rotated from USDG toward PYUSD as incentive economics shifted across the stablecoins paired against USDe collateral. The market generated $74.5K in NII in its first quarter at scale, weighted toward June. Its launch also introduced a new collateral type within an isolated market structure, and supported by dedicated oracles, caps, and rate curves.



Kamino: Ethena Market Deposits and Loans, daily. Source: Blockworks

RWA Markets

RWA deposit balances ended the quarter at approximately $641M across RWA and offchain collateral venues, down from $1.21B at Q1 end, with the reduction concentrated in Figure, which closed at $318.4M, and Maple, which ended at $141.6M. The declines in Figure and Maple were concentrated in April's post-exploit de-risking and extended through June as stablecoin collateral rotated toward the Ethena Market.



Kamino: RWA Market Deposits, monthly. Source: Blockworks

Despite the reduction in deposits, the RWA markets crossed several operating milestones during the quarter. Protocol-reported market size measures both the deposit and borrow sides of a market and therefore exceeds the deposit-only series charted here. On that basis, PRIME, the Figure market collateralized by home equity loans, crossed $600M in April, approximately four months after launch, before retracing alongside the broader market to $318.4M in deposits at quarter end. OnRe grew deposits 14.3% to $120M, reached a May peak near $153M, and ended June above $160M in protocol-reported market size, with more than $50M borrowed across more than 1,100 active loans. Solstice approximately doubled to $46M in deposits and crossed $60M in total market size.

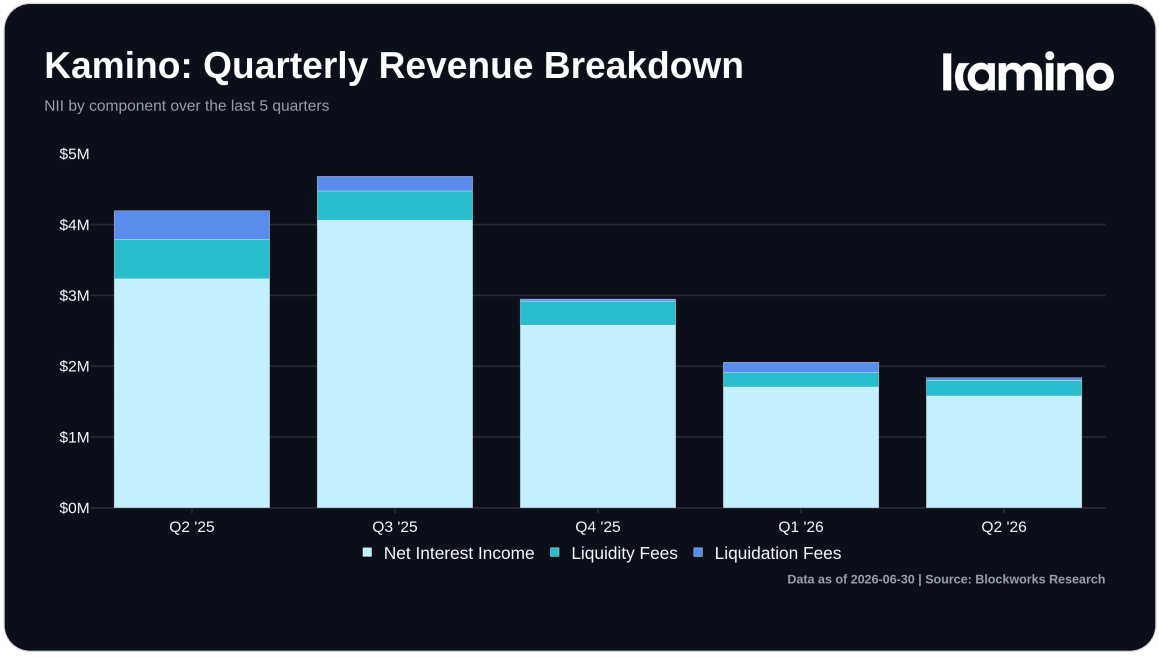
Kamino: RWA Market Loans, end of quarter. Source: Blockworks

Outstanding RWA loans ended near $223M. Measured by net interest income, the RWA and offchain markets' share of the protocol total rose from about 28.5% in Q1 to roughly 31.7% in Q2, with utilization and pricing tied to mortgage origination activity rather than crypto market conditions.

SECTION 04

Revenue Drivers

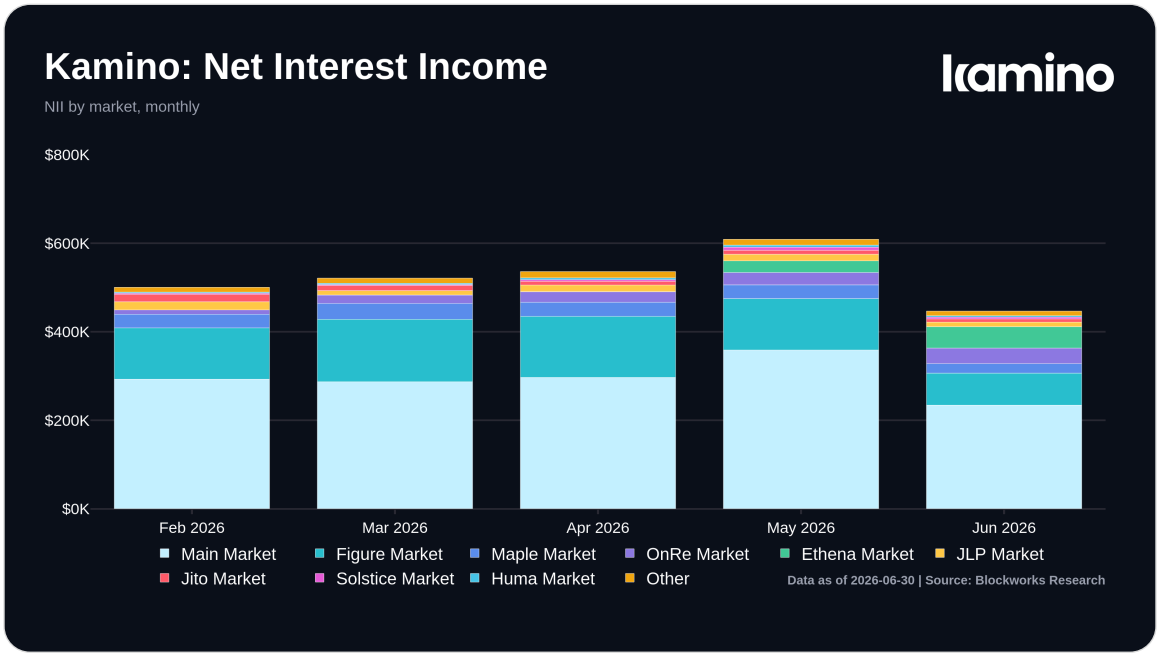
NII remained the primary driver of protocol revenue in Q2, totaling $1.58M, or 86.0% of total revenue. This was down 7.4% QoQ from $1.70M in Q1 2026. Liquidity fees contributed $219.6K, or 12.0% of total revenue, up 8.1% QoQ. Liquidation fees were the smallest contributor at $37.3K, or 2.0% of revenue, down 74.3% QoQ as liquidation activity normalized following the elevated Q1 correction.



Kamino: Quarterly Revenue Breakdown. Source: Blockworks

Net Interest Income

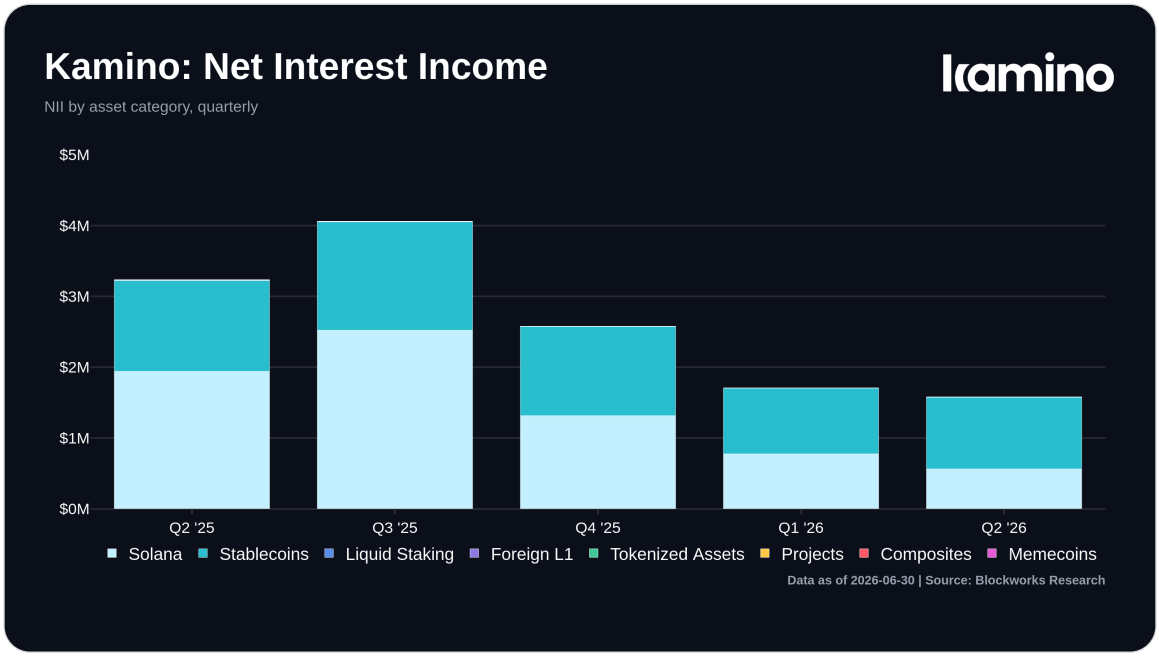
By Market



Kamino: Net Interest Income by Market, monthly. Source: Blockworks

Kamino's Q2 NII of $1.58M was generated across its isolated lending markets, with the composition continuing the shift toward diversified markets. The Main Market remained the largest single contributor at $890K, or 56.4% of total NII, down from $1.05M in Q1. RWA markets contributed roughly $501K, or about 31.7% of total NII, up from about 28.5% in Q1. Figure was the largest RWA contributor at $326.5K, roughly 21% of the protocol total and effectively level with $338.3K in Q1. The Ethena Market added $74.5K in its first quarter at scale, and OnRe posted the strongest growth among diversified markets, up 108% to $75.6K. Smaller diversified markets including Huma, Superstate, and xStocks also grew. Crypto native markets outside the Main Market declined, with JLP down 36% to $40.4K and Jito down 60% to $24.6K.

By Asset Category



Kamino: Net Interest Income by Asset Category, quarterly. Source: Blockworks

On an asset category basis, stablecoins accounted for 64.1% of the NII mix at $1.01M, up from 54.4% in Q1, reflecting demand for stablecoin-denominated borrowing across the Ethena and RWA markets. SOL and other crypto-native assets contributed 35.9% at $567K, down from 45.6%, as the June drawdown reduced demand for leverage against crypto collateral.

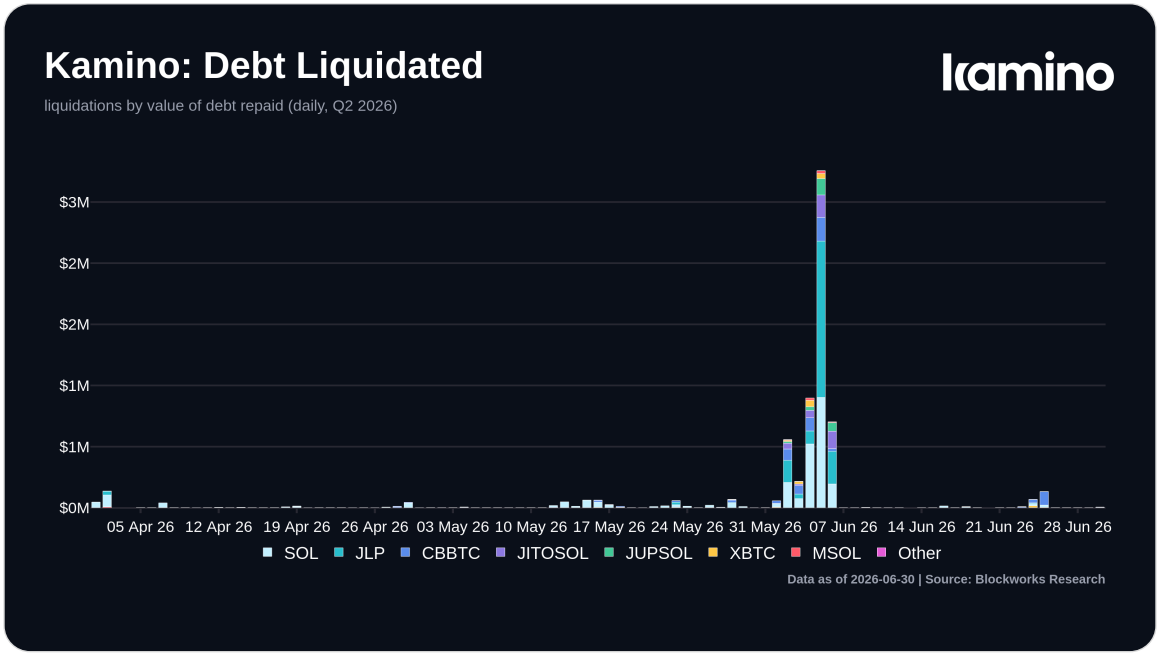
Liquidity Fees

Liquidity fees contributed $219.6K in Q2, representing 12.0% of total protocol revenue and increasing 8.0% from $203.2K in Q1. Liquidity fees represent the protocol's share of swap fees earned by Kamino's automated liquidity vaults, collected before the remaining earnings compound to depositors. Elevated volatility during the quarter's two stress events supported higher swap activity and growth in this revenue line.

Liquidation Fees

Q2 liquidation fees totaled $37.3K, representing just 2% of total revenue, down from $145.1K in Q1 as liquidation activity normalized. The early June SOL drawdown accounted for the bulk of the quarter's activity, with $33K of $37.3K (~87%) concentrated in June. Collateral seized from liquidations fell to $6.78M

from $44.3M in Q1. The modest contribution from this line reflects Kamino's explicit effort to keep liquidation fees to a minimum, with the posture that liquidations should function first and foremost as a solvency safeguard rather than a punitive measure or revenue source. The 10% incremental close factor limited each liquidation to a fraction of the affected position, keeping both borrower losses and fee income small.

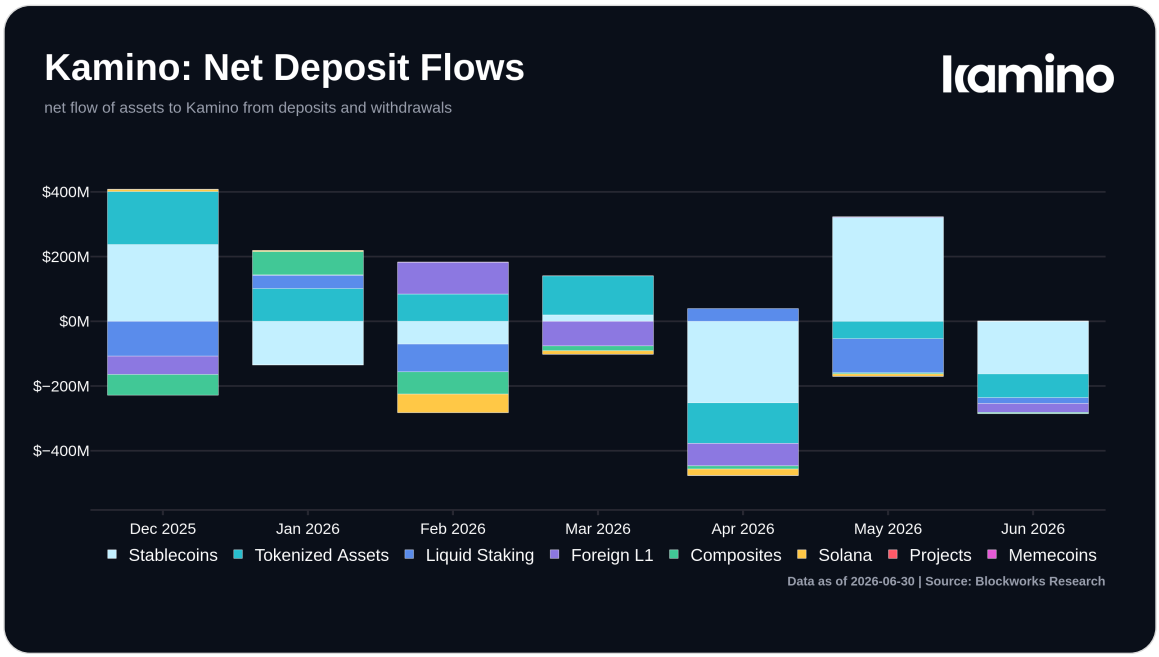


Kamino: Debt Liquidated, daily. Source: Blockworks

SECTION 05

Protocol Analysis

Net Deposit Flows



Kamino: Net Deposit Flows, monthly. Source: Blockworks

Q2's $612M headline deposit decline reflected a greater degree of capital movement than in Q1. Net outflows totaled approximately $569M, accounting for roughly 93% of the decline, while SOL repricing contributed the remaining $43M. Despite the more cautious market environment, the successful launch of the Ethena Market attracted substantial new capital and partially offset the contraction across existing markets.

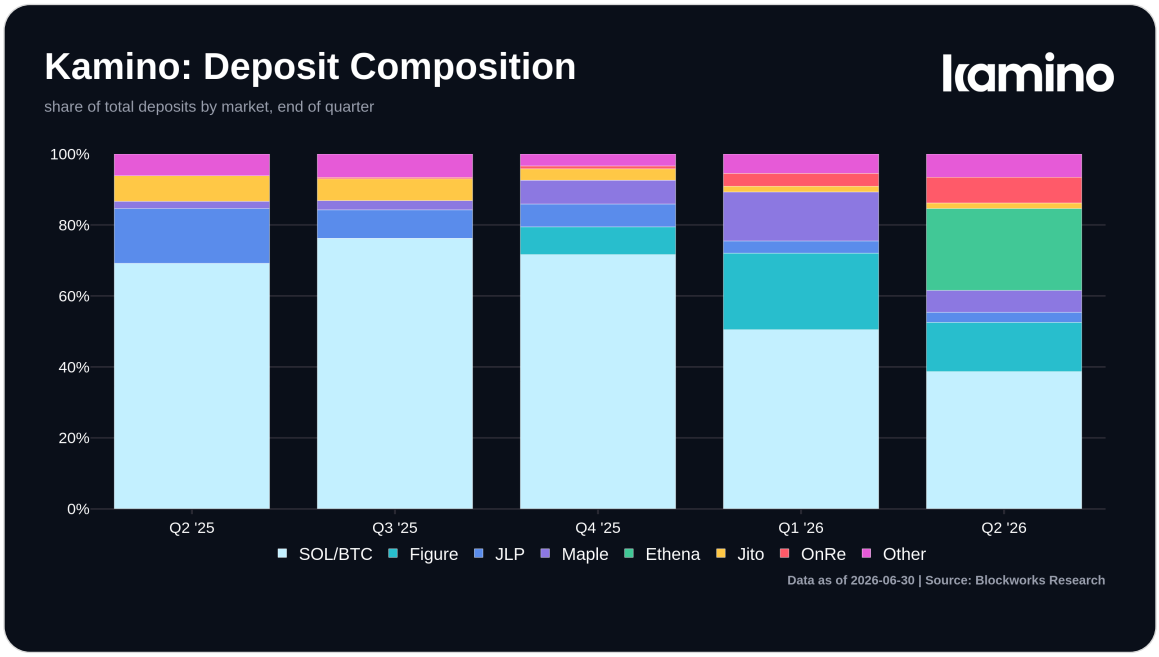
Monthly flows were uneven. Roughly $437M exited in April as the ecosystem de-risked following the Drift exploit. The trend reversed in May, when the Ethena

Market launch supported $153M in net inflows. A further $285M left in June amid the broader SOL drawdown.

Outflows spanned most collateral types and reflected broad market caution rather than Kamino-specific factors. Against that backdrop, Ethena's growth to $529M in deposits demonstrated the protocol's continued ability to attract capital through new market launches, even during a risk-off quarter.

Deposit Composition

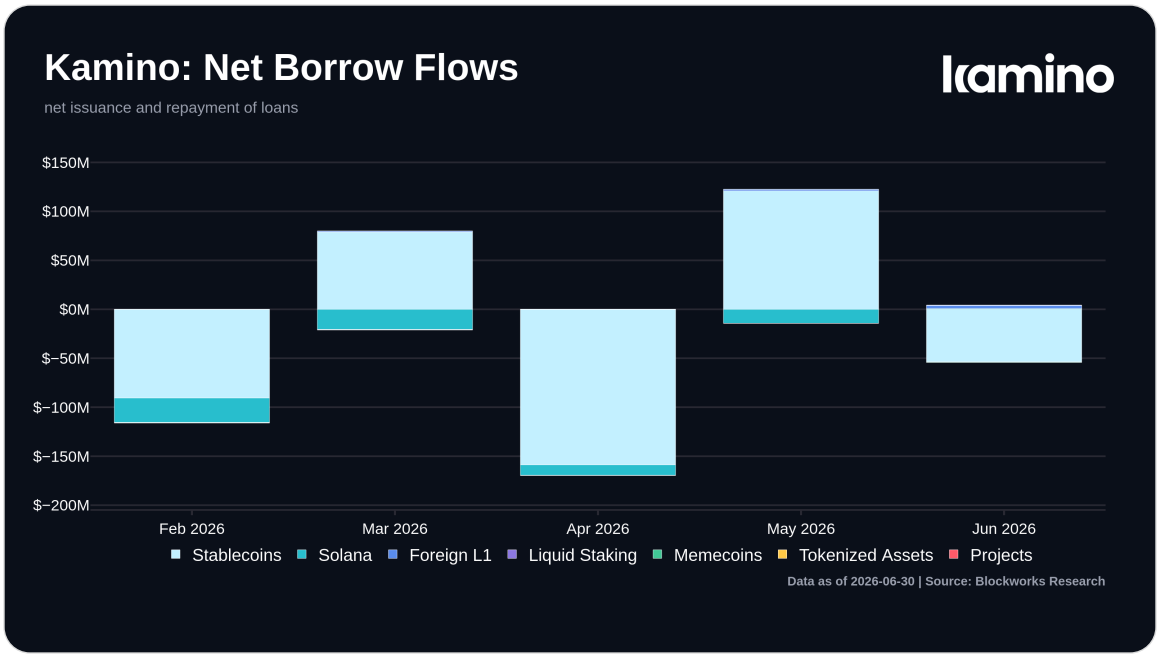
These flows produced a more balanced deposit mix. Main Market deposits fell to $773M, while the newly launched Ethena Market became the second-largest venue with $529M. Among RWA markets, Figure and Maple contracted to $318M and $142M, respectively, while OnRe and Solstice grew to $120M and $46M. JLP and Jito declined to $65M and $36M.



Kamino: Deposit Composition, end of quarter. Source: Blockworks

The result was a smaller but more evenly distributed deposit base, with no single market accounting for more than 37% of the total. Kamino ended the quarter with reduced reliance on the Main Market and broader exposure across synthetic dollars, mortgage credit, institutional lending, reinsurance, equities, and crypto collateral. The rapid emergence of Ethena also added a new source of deposit and borrowing demand to the protocol.

Net Borrow Flows



Kamino: Net Borrow Flows, monthly. Source: Blockworks

Outstanding loans declined by approximately $199M during Q2, from $1.14B to $940M. Net repayments accounted for roughly $111M, or just over half of the decline, while SOL repricing accounted for the remaining approximately $89M.

Borrow flows broadly tracked deposit activity. April recorded $170M in net repayments as the ecosystem reduced risk exposure from the Drift exploit. May reversed much of that decline with $108M in net borrowing, driven primarily by Ethena looping demand. June then recorded a further $50M in net repayments during the broader market drawdown.

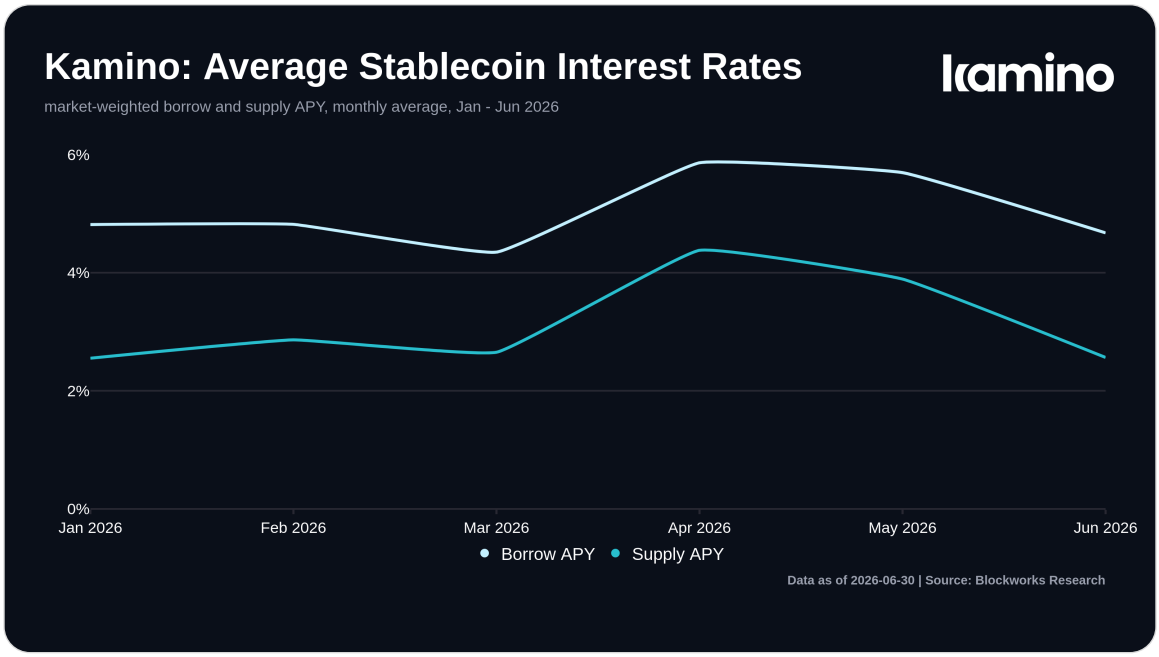
Ethena became a meaningful source of borrowing demand within weeks of launch, ending the quarter with $239.4M in outstanding loans, equivalent to roughly one quarter of protocol loans. Its growth partially offset deleveraging elsewhere and demonstrated how quickly a new isolated market could become material to protocol activity.

Stablecoins accounted for most of the quarterly contraction, with net repayments of roughly $92M, while SOL borrowing recorded an additional $24M in net repayments. Despite the reduction in absolute borrowing, the loan-to-deposit ratio rose from 39.2% to 41.0% as deposits contracted more quickly than loans. This points to continued borrowing demand and higher leverage intensity across the remaining deposit base, while the protocol processed the quarter's market adjustment without incident.

Interest Rates

Rate Environment

Kamino's stablecoin rates increased on a quarterly average basis as the quarter's two stress events lifted utilization. The market-weighted stablecoin borrow rate averaged 5.41%, up from 4.66% in Q1, while the average supply rate rose to 3.62% from 2.68%. As supply rates increased faster than borrow rates, the average borrow-supply spread narrowed modestly from 198 bps to 179 bps. By quarter end, market conditions had normalized, with the borrow rate declining to 4.52% and the supply rate to 2.38%, below their respective Q1-end levels of 4.64% and 3.16%. This widened the quarter-end spread from 148 bps to 214 bps.

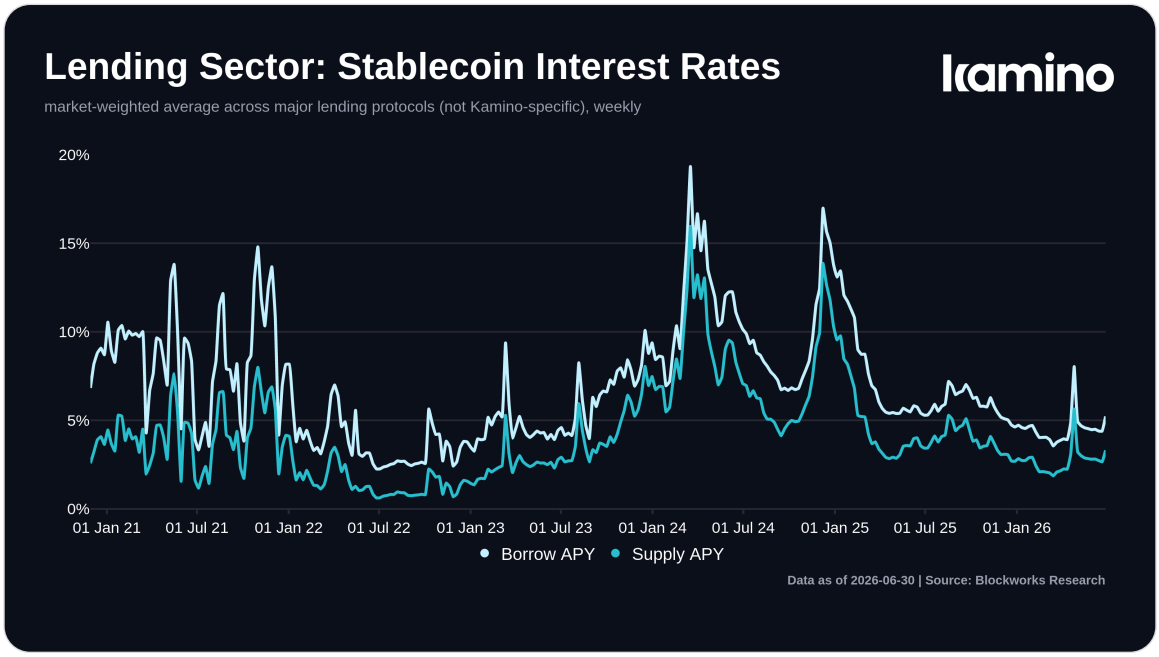


Kamino: Average Stablecoin Interest Rates, monthly. Source: Blockworks

Rate movements reflected differences in market mix and utilization across Kamino's isolated markets. The April de-risking and June 3 to 6 drawdown temporarily increased utilization and borrow rates, while the Ethena Market added substantial stablecoin supply relative to borrowing demand, placing downward pressure on the protocol-wide supply rate as it scaled. Within the Main Market, deposit outflows exceeded loan repayments during June, sustaining utilization despite lower balances. These dynamics widened the quarter-end spread and supported NII resilience amid the contraction in deposits and loans.

The broader lending market followed a different quarter-end trajectory. Average stablecoin borrow rates across major protocols rose from 4.18% in Q1 to 4.83% in Q2 and remained elevated at 5.22% at quarter end, while Kamino's rate normalized

to 4.52%. Kamino moved from approximately 78 bps above the sector average at Q1 end to approximately 70 bps below it at Q2 end, a relative shift of nearly 150 bps. This positioned Kamino among the more competitively priced stablecoin borrowing venues entering Q3.

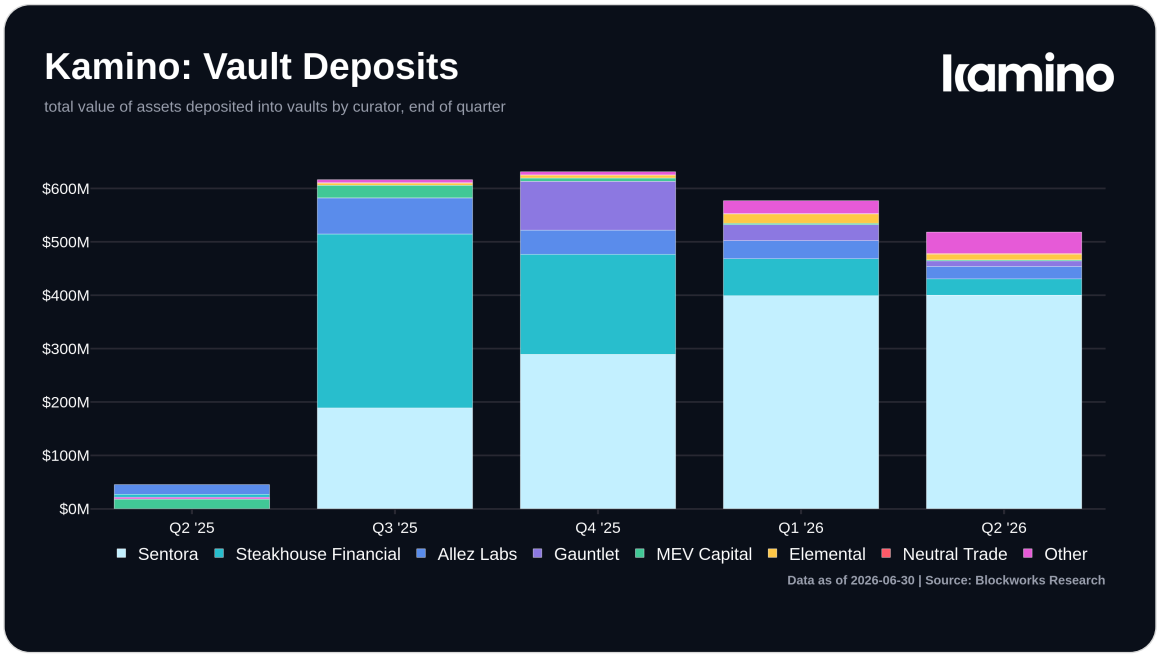


Lending Sector: Stablecoin Interest Rates, weekly. Source: Blockworks

SECTION 06

Vaults

Vault Balances

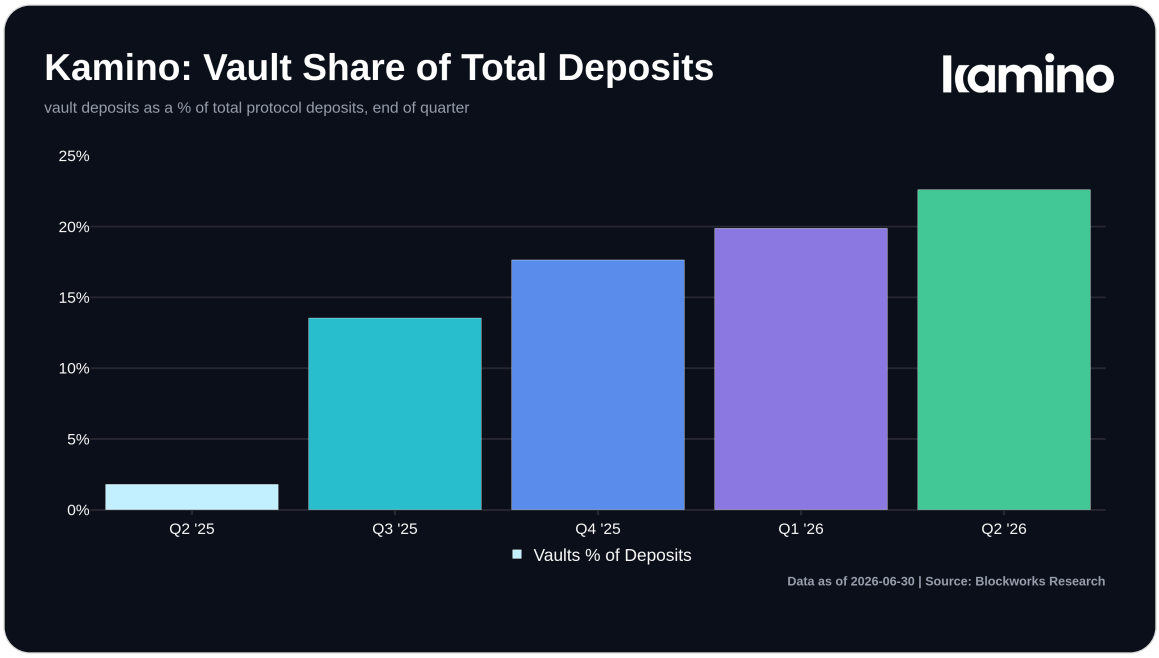


Kamino: Vault Deposits by Curator, end of quarter. Source: Blockworks

Vault deposits ended Q2 at $518M, down 10% from $577M at Q1 end. The decline was materially smaller than the contraction in the broader deposit base, increasing vaults' share of protocol deposits from approximately 20% to 23%.

The quarterly trajectory was turbulent beneath the modest net change. Balances fell 41% to $341M in April as the ecosystem de-risked following the Drift exploit, with the reduction concentrated in incentive driven positions that had scaled during Q1. May reversed the decline as capital returned through new stablecoin vault launches, lifting totals to $587M by month end and to a quarterly peak of

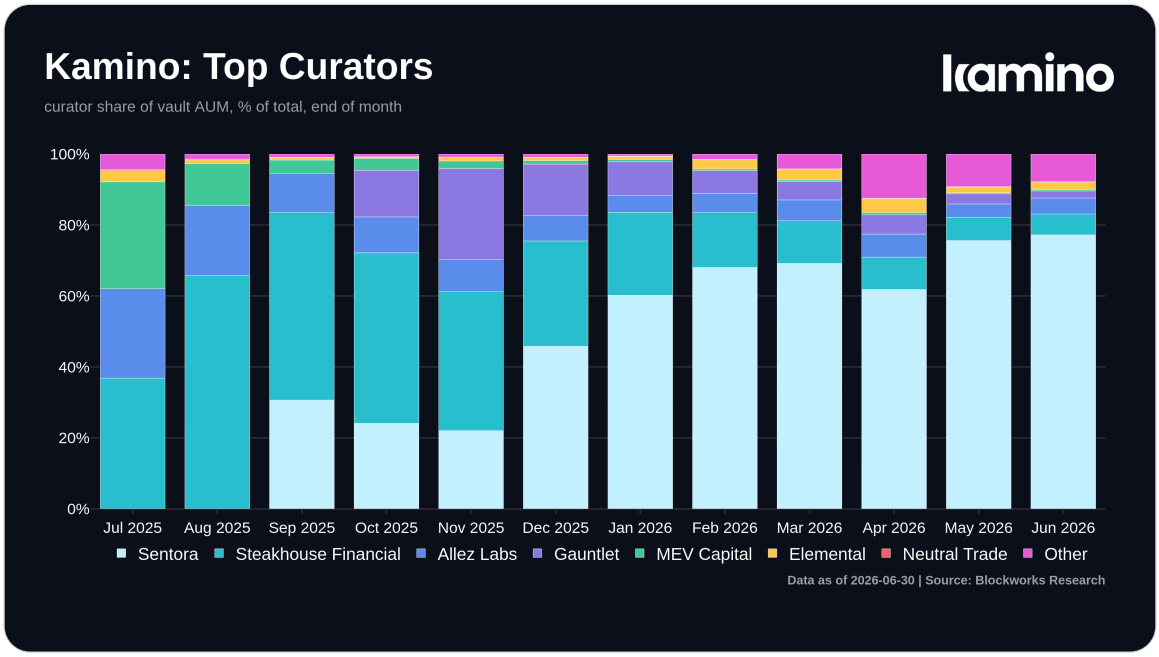
$705M on June 7. The June SOL drawdown and the normalization of incentive rates then trimmed balances to $518M by quarter end.



Kamino: Vault Share of Total Deposits. Source: Blockworks

Overall, Q2 represented a rotation in vault composition rather than a broad-based retreat, with capital moving from established incentive positions into newer strategies.

Curator Mix



Kamino: Top Curators, monthly share. Source: Blockworks

Sentora remained the largest individual curator with $400M in deposits at quarter end, broadly unchanged from $399M at Q1 end. Sentora's total deposits were broadly unchanged, but the mix shifted significantly between its vaults. Sentora's PYUSD vault normalized as the elevated incentive rate supporting its Q1 growth rolled off, while its Ethena PYUSD Prime vault launched and scaled to approximately $250M, absorbing much of the redeployed capital. Total Sentora balances followed the protocol's broader quarterly trajectory, declining to $211M in April, recovering to $444M in May, and settling at $400M in June.

Balances declined across most other established curators. Steakhouse fell from $69M to $30M, Allez Labs from $34M to $23M, Gauntlet from $30M to $10M, and Elemental from $18M to $11M. RockawayX's RWA USDC vault remained stable at approximately $26M, making it the third-largest individual vault on the platform. Beyond the largest curators, combined balances ended the quarter near $40M, with RockawayX accounting for the majority and the remainder distributed across more than 50 smaller strategies. Growth within Sentora's product set offset much of the decline elsewhere, increasing its share of total vault deposits from 69% to 77%.

Alongside this rotation in balances, Kamino's curator framework expanded to more than 80 active vaults. Hyperithm, a regulated digital asset manager operating from Tokyo and Seoul, launched its USDC Apex Vault on June 30 with an initial yield of approximately 6.77%, adding another externally curated institutional strategy to Kamino's infrastructure. Kamino also introduced Whitelisted Reserves, a smart

contract control that limits curator allocations to approved Kamino markets. The feature is active across lending markets for curators including Allez Labs, Steakhouse, RockawayX, Sentora, and Gauntlet. Season 4 incentives provided additional support for stablecoin vault deposits through the distribution of 100M KMNO over three months.

SECTION 07

Competitive Position

Scale and Resilience

Kamino ended Q2 2026 as Solana's largest lending protocol, with $2.29B in deposits and $940M in outstanding loans. The quarter also tested several of the attributes underpinning that position. Kamino's isolated-market architecture prevented stress from two external ecosystem incidents from propagating across the protocol, with no resulting losses.

Kamino's collateral roster now spans stablecoins, synthetic dollars, SOL and liquid staking tokens, tokenized private credit, reinsurance, public equities, and assets held with offchain custodians. This breadth remains unmatched among Solana lending venues. Its institutional product suite further strengthens that position through fixed-rate lending, offchain collateral infrastructure integrated with Anchorage Digital, and institutional yield vaults.

Competition intensified during Q2 as newer lending venues expanded through attractive rates, liquidation terms, and embedded distribution. Kamino's response was visible in its pace of product delivery, including the protocol's fastest-scaling market launch, additional collateral categories, curator-level risk controls, and distribution channels that bring deposits into Kamino from outside DeFi-native interfaces. The protocol enters Q3 with a broader product suite, tested risk infrastructure, and multiple sources of deposit and borrowing demand supporting its competitive position.

SECTION 08

Product & Ecosystem Updates

What Shipped in Q2

Q2 releases expanded Kamino across three areas, including new markets and assets, position and risk management, and embedded distribution.

Markets and Assets

Tokenized asset coverage also expanded during the quarter. USDC was added as collateral in the xStocks Market, enabling users to borrow tokenized equities directly and take directional positions in SPYx, TSLAx, QQQx, and NVDAx. STRCx, the tokenized form of Strategy's Stretch perpetual preferred stock, launched in its own isolated market using a Chainlink-built pricing architecture. Kamino Swap also added SPCX, DRAM, SNDK, and Micron through Sunrise.

Risk Infrastructure

Kamino introduced Debt Swaps, allowing borrowers to migrate between debt assets in a single transaction without manually unwinding and rebuilding their positions. The feature launched across multi-debt markets and Multiply, where Kamino Swap flash loans enable active leveraged positions to move between pairs in one step.

Whitelisted Reserves also went live during the quarter. The smart contract control restricts curator allocations to approved Kamino markets and was deployed across the lending markets available to curators including Allez Labs, Steakhouse, RockawayX, Sentora, and Gauntlet.

Distribution and Curation

Several integrations extended Kamino beyond its own interface. Solflare Card Borrows enabled users to spend USDC against deposited SOL, with borrowing executed at the point of sale. SwissBorg launched USDT Earn through an embedded Kamino vault, while X Place introduced Credit Mode for accessing liquidity against crypto holdings without selling the underlying assets.

Kamino also went live through Anchorage Digital's Porto and VSP, providing institutional-grade self-custody access to the protocol. The quarter concluded with the launch of Hyperithm's USDC Apex Vault, adding an externally curated strategy managed by a regulated digital asset manager operating across Tokyo and Seoul.

Q3 and Beyond Roadmap

Kamino's stated Q3 agenda includes the launch of Fixed Rates, further upgrades to the Curator Suite and Kamino Swap, and the addition of new assets and curated vaults. Fixed-rate lending is anticipated to go live production, while broader infrastructure development remains focused on expanding institutional capacity and distribution.

Kamino's Institutional Yield vaults are continuing their staged rollout toward opening institutional credit yield to depositors. The RWA DEX, designed to provide oracle-priced liquidity for tokenized assets, remains in development alongside Borrow Intents. Further RWA expansion is expected to extend beyond the existing Figure, Maple, and OnRe markets, building on the growth of OnRe, Solstice, and tokenized equity products during Q2.

SECTION 09

Closing Summary & Outlook

Q2 2026 reinforced Kamino's position as the core credit infrastructure on Solana. The protocol operated through two significant ecosystem-level stress events, including a $285M exploit at an adjacent protocol and a double-digit SOL drawdown, with zero bad debt, no cross-market contagion, and liquidations executed in controlled increments. This performance demonstrated the resilience of Kamino's isolated-market architecture during a volatile quarter.

Financial performance also proved more resilient than the contraction in the balance sheet. Revenue declined 10.6% against a 21.1% reduction in deposits, while gross interest fell 4.1% to $14.01M. This divergence reflected a revenue base increasingly supported by mortgage origination, underwriting cycles, institutional credit, and synthetic dollar demand rather than the crypto market alone.

The Ethena Market validated Kamino's modular market framework at scale, surpassing $500M within 72 hours of launch and ending the quarter with $529M in deposits. Its growth broadened the protocol's sources of deposits, borrowing demand, and revenue. By quarter end, no single market accounted for more than 37% of lending-market deposits, while vaults represented 23% of protocol deposits, up from 20% at Q1 end. Together, these shifts produced a more diversified deposit base with greater capital allocation through curated strategies.

With institutional yield and offchain collateral infrastructure now operating and fixed-rate lending progressing toward launch, Kamino enters Q3 with a broader product suite, tested risk infrastructure, and an increasingly diversified economic base. The platform is well positioned to build on this foundation as market conditions normalize and institutional adoption continues.

SECTION 10

Appendix

What Is Kamino?

Kamino is the largest decentralized finance (DeFi) protocol on Solana, that integrates lending, borrowing, liquidity, and leverage into a single platform. At its core, Kamino is a lending protocol: users deposit assets into onchain markets to earn yield, while borrowers post collateral to take out overcollateralized loans, with interest rates set algorithmically by utilization and every position secured by smart contracts rather than counterparties. Rather than pooling all assets into a single risk bucket, Kamino operates a suite of isolated lending markets (ex. Main Market, Prime Market) each with its own risk parameters and liquidity profile, so volatility in one market cannot contaminate the others.

Beyond basic lending, Kamino offers integrated leverage products like Multiply and Stable Loops that abstract away complex looped positions into one-click strategies, and Kamino Vaults, which allow third-party curators to deploy managed lending strategies on top of the protocol's infrastructure. Protocol revenue is driven by borrow-supply spreads and liquidation fees — positioning Kamino as both the default credit layer for Solana and a growing bridge between traditional capital and onchain markets.

Core Differentiators

Isolated multi-market architecture — The Main, JLP, Jito, and Altcoins markets each have independent risk parameters, collateral sets, and liquidation engines, so tail risk in one market cannot contaminate the others.

Integrated leverage products — Multiply and Stable Loops abstract recursive borrow/deposit strategies into one-click positions, giving users professional leverage tooling without manual looping.

Curated Vaults and BuildKit — Third-party curators (professional risk managers, DAOs, and institutions) deploy managed lending strategies on top of Kamino's infrastructure, and BuildKit lets developers launch bespoke markets and tokenized credit products on Kamino rails.

Institutional and RWA integration — Kamino is the leading Solana venue for tokenized real-world assets, with live markets for equities, Treasuries, private

credit, reinsurance, and mortgage-backed assets, supported by qualified custodians like Anchorage Digital.

Ecosystem Role

Kamino is the default credit and leverage layer for Solana DeFi. It serves as the primary venue where SOL, LSTs, stablecoins, and tokenized RWAs are deposited for yield, borrowed against for leverage, and recycled through looped strategies. Its curator and BuildKit frameworks position it as infrastructure for other protocols, institutions, and RWA issuers.

Business Model Overview

Revenue Model

Kamino generates protocol revenue from two primary streams:

Borrow-Supply Spread (Net Interest Income) — The dominant revenue source. For every dollar borrowed, Kamino captures the spread between the interest paid by borrowers and the interest distributed to suppliers. A protocol reserve factor skims a share of each market's interest income, and this spread scales linearly with borrow volume and utilization.

Liquidation Fees — When a borrower's position falls below its required collateralization threshold, liquidators repay a portion of the debt in exchange for discounted collateral. A share of the liquidation penalty accrues to the protocol.

Protocol revenue is measured in USD terms across all markets and asset types, with stablecoin lending representing the largest contributor.

Products

Multiply

Multiply is Kamino's one-click leveraged staking and yield product. Users deposit a yield-bearing asset (for example, JitoSOL or JLP), and the protocol automatically executes a recursive borrow-and-redeposit loop to amplify exposure. Users see a single position with a target leverage ratio, while the protocol manages the underlying loops, oracle updates, and unwinds.

Stable Loops

Stable Loops apply the same looping mechanics to stablecoin strategies. By supplying one stablecoin and borrowing another, users can compound yield differentials and incentive emissions across stablecoin markets without manually executing dozens of transactions.

Vaults and Curators

Kamino Vaults are managed lending strategies deployed by third-party curators. Curators define deposit criteria, asset allocations, and risk limits, while depositors retain onchain custody and can enter or exit positions at any time. Vaults effectively turn Kamino into a platform for professional credit management, with curators acting as the equivalent of asset managers in traditional fixed income.

BuildKit

BuildKit is the developer toolkit that lets external teams embed Kamino's yield and credit infrastructure into their applications. Separately, Kamino's broader developer tooling and Curators framework allow protocols, curators, and asset issuers to launch isolated lending markets, vaults, and custom credit facilities with defined collateral sets, risk parameters, and liquidity profiles on Kamino's core architecture.

Kamino Institutional Yield

Institutional Yield is Kamino's family of vaults that generate stablecoin yield by deploying onchain capital through an SPV into regulated, fully collateralized institutional lending operations. Capital is allocated to CIMA-supervised (Commodity Yield) or FMA-supervised (Digital Assets Yield) counterparties that lend to institutional borrowers against physical commodities, cash, or BTC held at qualified custodians, with monthly attestations, per-loan transparency, and conservative collateralization.

Lending Mechanics

Interest Rate Model

Every Kamino market uses a utilization-based interest rate curve. As the share of supplied capital being borrowed rises, both the Supply APY and Borrow APY increase along a predefined curve with a "kink" at a target utilization level, above which rates steepen sharply to attract new supply and disincentivize further borrowing. This creates a self-balancing mechanism that prevents markets from running out of withdrawable liquidity.

Loan-to-Value and Liquidation

Each collateral asset is assigned a loan-to-value (LTV) ratio that caps how much can be borrowed against it, and a higher liquidation threshold at which the position becomes eligible for liquidation. When a position crosses the liquidation threshold — typically due to collateral price declines or accrued interest — liquidators repay a portion of the debt and receive the corresponding collateral at a discount (the liquidation penalty). This process is executed permissionlessly onchain and is the protocol's primary defense against bad debt.

Oracles and Mark-to-Market

All collateral and debt values on Kamino are marked to market in real time using onchain price oracles (primarily Pyth and Switchboard). Oracle feeds determine utilization calculations, liquidation eligibility, and interest accrual, making oracle quality a core risk input for every market.

Net Interest Margin (NIM)

NIM is the spread between the weighted-average rate Kamino earns from borrowers and the weighted-average rate it pays to suppliers, expressed as a percentage of interest-earning assets. It is the DeFi analogue of a traditional bank's net interest margin and is the single most important measure of the protocol's earning power per dollar of deposits.

Key Terminology

Lending Protocol — An onchain smart-contract system that matches depositors (suppliers of capital) with borrowers, setting interest rates algorithmically based on utilization rather than through intermediaries.

Isolated Market — A self-contained lending pool with its own collateral set, risk parameters, and liquidation engine. Losses in one isolated market cannot spill over into another.

Supply APY / Borrow APY — The annualized interest rates earned by suppliers and paid by borrowers, respectively, on a given asset. Both rates are functions of market utilization.

Utilization Rate — The share of supplied capital currently being borrowed in a market. Higher utilization drives higher Supply and Borrow APYs along the market's interest rate curve.

Loan-to-Value (LTV) — The maximum ratio of borrowed value to collateral value a user may carry. Exceeding the LTV-linked liquidation threshold puts a position at risk of liquidation.

Liquidation — The forced partial (or full) repayment of an undercollateralized loan by a third-party liquidator, in exchange for discounted collateral. Liquidations protect the protocol from bad debt.

Liquidation Penalty — The discount applied to seized collateral during a liquidation. A share of the penalty goes to the liquidator and a share to the protocol.

Bad Debt — Outstanding borrower liabilities that cannot be recovered through liquidation, typically because collateral value fell below debt value faster than liquidators could act.

Net Interest Income (NII) / Net Interest Margin (NIM) — The spread between interest earned from borrowers and interest paid to suppliers; NIM expresses this spread as a percentage of earning assets.

Looping / Leveraged Staking — Repeatedly supplying a yield-bearing asset, borrowing a correlated asset against it, and redepositing to amplify yield exposure. Kamino's Multiply and Stable Loops automate this.

Liquid Staking Token (LST) — A transferable token (e.g., JitoSOL, mSOL) representing staked SOL plus accrued staking rewards, used as collateral across Kamino's markets.

Real-World Asset (RWA) — Tokenized traditional financial instruments (equities, Treasuries, private credit, reinsurance, mortgages) brought onchain as programmable collateral.

Curator — A third party that designs and manages a Kamino Vault, defining allocation strategy, risk parameters, and fee structure on behalf of depositors.

Oracle — An offchain data source (e.g., Pyth, Switchboard) that supplies onchain price feeds used to compute collateral values, utilization, and liquidation eligibility.

KMNO — Kamino's native token, used for governance, protocol incentives, and the xPoints reward program.

APPENDIX

Disclosures

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