kamino

Introducing Kamino Fixed Rates

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The rate-and-duration layer for on-chain credit.

Abstract

Real-world assets on-chain have grown to $38.2 billion in circulation, while forecasts for the decade ahead place tokenized assets in the trillions.[1][2] Banks, asset managers, exchanges, and market-infrastructure providers are already moving issuance, collateral, settlement, and secured financing on-chain.[3] This growing asset base requires credit infrastructure suited to the financing requirements of traditional financial markets.

Today, most on-chain credit originates through variable-rate, open-term pools. These markets have scaled to tens of billions of dollars, but they leave borrowers without a fixed funding cost, lenders without a defined return over a set period, and issuers without a maturity around which to plan refinancing and liquidity.

Kamino Fixed Rates introduces fixed-rate, fixed-term credit directly within Kamino Lend. Borrowers can state the collateral, size, maximum rate, and duration they need through Borrow Intents. Lenders and Kamino Vaults curators can quote rates, durations, and amounts through Conditional Liquidity while their capital continues earning in variable reserves. When terms match, loans originate atomically. As activity develops across the rate-and-duration grid, a yield curve emerges within each market, formed by real supply and demand.

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Executive Summary

Since January 2025, real-world assets on-chain have grown over 700% to $38.2 billion in circulation today, spanning tokenized treasuries, money-market funds, private credit, receivables, and more.[1] Forecasts for the decade ahead place tokenized assets in the trillions.[2] These assets are structurally different from the crypto-native tokens around which today's on-chain primitives have been designed. This growth is arriving alongside increasing institutional deployment. Banks, asset managers, exchanges, and market-infrastructure providers are already moving issuance, collateral, settlement, and secured financing on-chain.[3]

Most on-chain credit today originates through variable-rate, open-term pools. Rates rise and fall with utilization. The borrower's rate changes throughout the position, and the loan has no maturity date. This model has supported tens of billions of dollars in on-chain lending and has proven sufficient for short-horizon positions whose economics can absorb a changing funding cost.

Pricing and maturity, however, are fundamental to global credit markets. Debt securities alone exceeded $150 trillion outstanding at the end of 2024, and these instruments are tracked primarily by maturity and interest-rate type.[4] Explicit rate and duration allow a six-month asset position to be underwritten against a six-month fixed funding cost; a lender to price the return required for committing capital over the same period; and an issuer to plan refinancing, redemptions, and liquidity.

Kamino Fixed Rates introduces a market for fixed-rate, fixed-term credit directly within Kamino Lend, integrated with existing markets and Kamino Vaults from day one.

In the prevailing utilization-based pool model, borrowers and lenders accept the rate or decline to participate. Kamino Fixed Rates enables both borrowers and lenders to be makers and takers, allowing each side to either state their preference, or accept the terms already available:

- **Borrowers can place a Borrow Intent** specifying their collateral, desired size, maximum rate, and term, or borrow directly from available Conditional Liquidity.
- **Lenders and Kamino Vaults curators can post Conditional Liquidity** specifying the rates, durations, and amounts at which they are prepared to allocate, or directly fill an open Borrow Intent.
- **When terms match, loans originate atomically** as fixed-rate, fixed-term positions on-chain.

Conditional Liquidity remains deployed in variable reserves until it matches demand, allowing lenders to quote terms while their capital continues earning. This removes the need to commit lender capital to an empty reserve before borrower demand appears. As the market grows, fixed-rate reserves form a rate-and-duration grid for each asset. Activity across the grid reveals how participants price capital over one month, three months, six months, and beyond, producing an on-chain yield curve based on real supply and demand between borrowers and capital allocators.

Kamino Fixed Rates is now code complete[5]. The program is fully open source, and has completed two security audits[6]. The first fixed-rate loans have already originated in private beta, and the functionality will be rolled out publicly throughout Q3 2026.

PART 01

Part 1: Today's on-chain credit

1.1 The variable-rate pool

On-chain credit today runs almost entirely on pool-based lending markets. A smart contract aggregates lending deposits of an asset into a single pool; borrowers post collateral, then draw from that same pool, and pay interest that accrues to the lenders. The collateral underwrites the loan: if the borrower's collateral value drops too far relative to their debt, liquidators repay the lender and seize the borrower's collateral.

In this model, the rate borrowers pay is set algorithmically as a function of the pool's utilization, the portion of deposited capital that is actively being borrowed. If 100 USDC is supplied and 80 USDC is borrowed, utilization is 80%. Each reserve is configured around its own target utilization range, balancing lender yield with enough available liquidity for withdrawals. As utilization rises, rates climb along a curve that steepens toward full utilization. A fully utilized pool cannot honor withdrawals, so high borrow rates press borrowers to repay and high lending rates encourage lenders to bring in fresh deposits. The pool maintains equilibrium without coordination from anyone.

On these terms, utilization-based lending has scaled to tens of billions of dollars in active on-chain loans. This is an elegant primitive, designed to serve the narrow use-cases of on-chain borrowing today:

- Leveraged exposure
- Yield strategies run on borrowed stablecoins
- Liquidity drawn against holdings

These are predominantly short-horizon, actively managed positions whose holders accept a floating cost of capital as a condition of the trade.

1.2 The structural gap: rate takers vs rate makers

Despite its success in serving crypto-native use cases, the variable-rate pool model lacks two elements needed to scale on-chain credit beyond where it is today:

01 It has no mechanism for price discovery

02 It has no concept of duration

Price discovery first. In the utilization model, the rate is a function of a ratio. Neither side can express the rate they want: a borrower who would pay a fixed 6% has no way to broadcast that offer, and a lender who would accept 5% for size has no way to advertise it. The curve does not know either preference exists. Both sides simply observe the current rate and decide whether to participate, while the rate they accept is continuously repriced beneath them. A borrower who enters at 5% may pay 10% next week; a lender who commits at 7% may earn 4%. Both entered a position based on conditions that may no longer exist.

Duration, meanwhile, does not exist at all. Every pool loan is open-term, with no maturity and no liquidity events around which borrowers or lenders can plan.

The default shape of on-chain credit today is therefore ill-suited for the assets and institutions now arriving. Assets with a predictable rate of return cannot be funded by liabilities with unpredictable costs: spreads cannot be modeled, leverage cannot be sized. Similarly, institutions whose businesses run on forward commitments (matched maturities, defined duration, and stable coupons) cannot underwrite those commitments with funding that fixes neither rate nor term.

PART 02

Part 2: Kamino Fixed Rates

Kamino Fixed Rates is an on-chain fixed-rate, fixed-term credit architecture, built on the Kamino Lend smart contract, shaped to the requirements of institutions and real-world assets. With Kamino Fixed Rates:

Rates and terms are fixed. A borrower locks their cost of capital at origination (a chosen rate, for a chosen term) and can hold it to maturity, regardless of market conditions, or repay early for a fee.

Borrowers set their own terms. A Borrow Intent is a standing on-chain order a borrower places, naming the collateral they want to post, the maximum rate they are prepared to pay, the term they want, and the size they need. Orders are filled, fully or partially, the moment matching liquidity arrives. Orders remain open until filled, canceled, or expired.

Lenders quote without parking capital. Through Kamino's Conditional Liquidity system, a lender can provide conditional liquidity across multiple rate and term reserves at once, while its capital remains deployed in a variable-rate reserve, thus earning yield until the moment it matches with a Borrow Intent, significantly reducing capital inefficiency.

Execution is atomic. When conditional liquidity matches a Borrow Intent, capital moves out of the variable-rate reserve, into the fixed-rate position, and the loan originates, all in a single transaction.

Loans renew automatically. At maturity, auto-rollover can continue a loan into its next term (if liquidity permits it), in the same reserve or at a lower rate where one is available, with variable-rate reserves as a fallback. Borrowers can adjust their preferences during the loan lifecycle.

Lenders hold a deterministic exit. Lenders can exit instantly if liquidity permits, or can enter a Withdrawal Queue, a first-in-first-out mechanism that returns lender capital as loans in the reserve mature. Significantly, Kamino's Withdrawal Queue is designed such that, if you enter the queue on a one month reserve, you will only ever wait a maximum of one month for your liquidity, never more.

Each of these properties converts directly into practice: a treasury can fund at a known cost against a known horizon, a credit desk can underwrite a spread that holds for the life of the trade, an asset issuer can pair the predictable yield of its assets with equally predictable funding costs, and a lender can choose how long to commit capital, at a yield locked for the full term.

The rest of this section sets out how the system works; Part 3 covers the architecture that the system is built on; Part 4 explains the system in practice.

2.1 The rate × duration grid

In traditional finance, the yield curve maps the price of borrowing across time. One-month Treasury bills pay 4.3%. Three-month bills pay 4.5%. Ten-year bonds pay 5.1%. The shape exists because locking capital longer should be compensated. Duration carries risk; risk carries premium. The yield curve is the market's continuously updated view of what duration is worth.

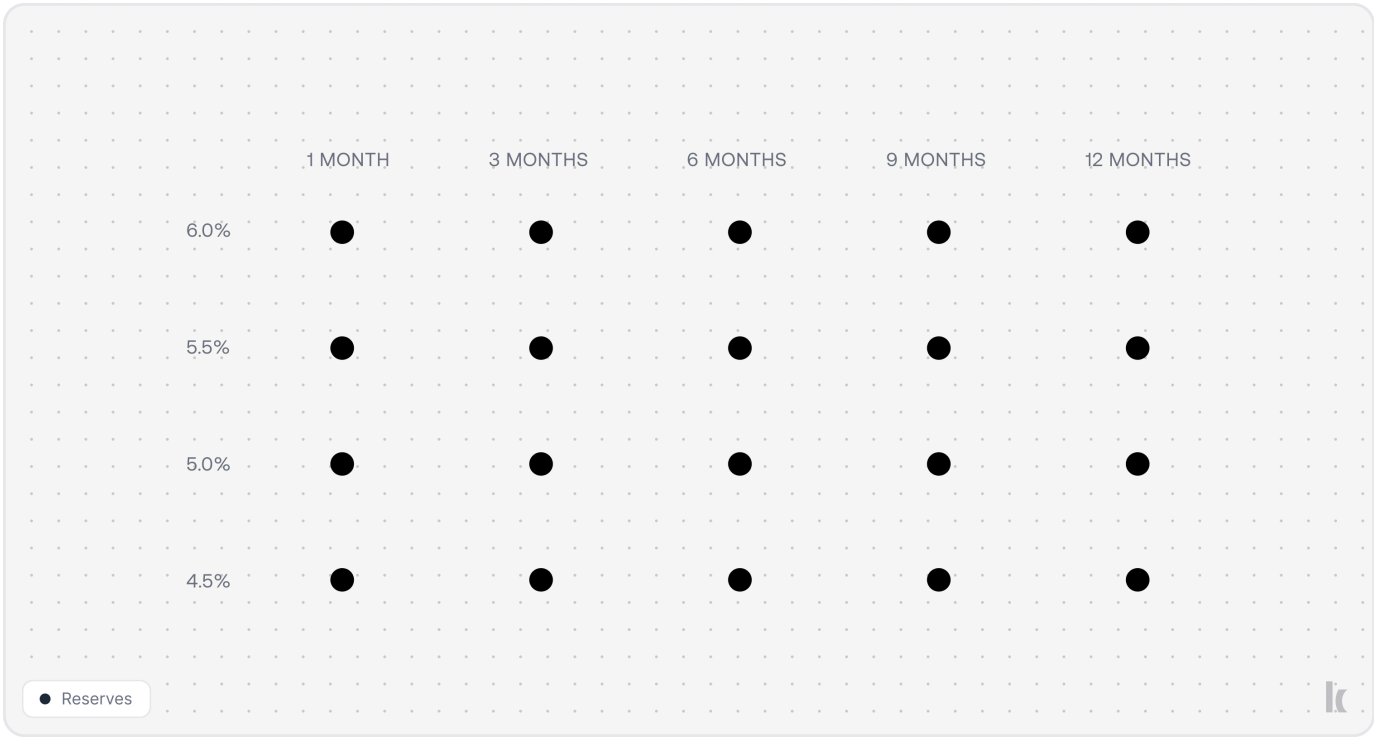
Variable-rate pools collapse all of borrowing into a single rate at a single moment: a borrower at 5% today may pay 12% tomorrow. There is no term structure because there are no terms.

Kamino Fixed Rates introduces fixed-rate reserves: lending pools that define a specific rate and duration at which users can borrow. Multiple fixed-rate reserves can be created for a single asset in a market (one for each rate & term combination), forming a rate × duration grid. For USDC, this could look as follows:

- Variable rate, open term
- 4.5% for one month
- 5.0% for three months
- 5.5% for six months

And so on. Each reserve is its own isolated lending pool: its own liquidity, borrowers, and maturity cycles. Note also that the variable-rate pool still exists alongside the grid; the grid is additive.

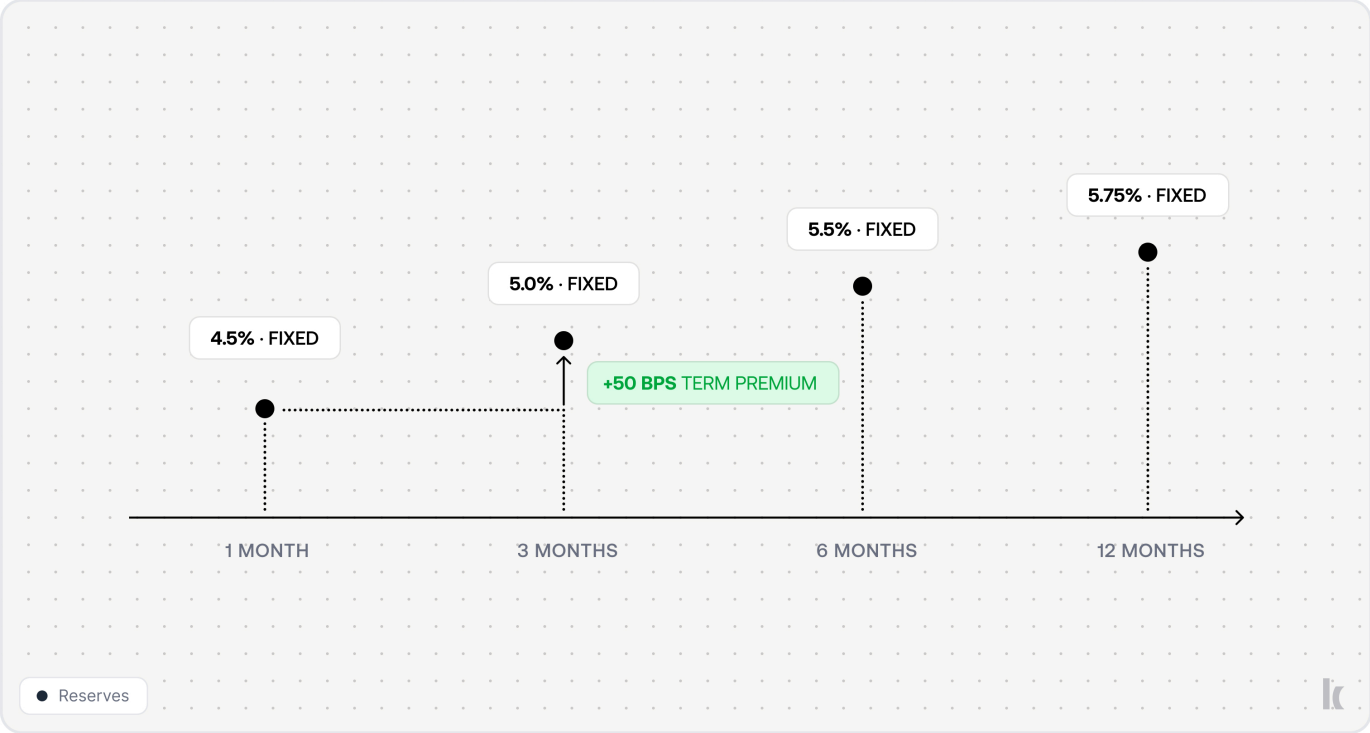
The defining property of this approach is that the grid can be created in full, for any asset, across the whole range of rates and terms, without waiting for demand to justify each reserve. An empty reserve costs nothing. The market then finds its own shape: lenders and borrowers converge on the reserves whose rates and durations both sides accept, and those reserves naturally fill.



The fixed-rate grid

An emerging on-chain yield curve

Place the grid's active reserves side by side at a given moment: USDC at 4.5% for one month, USDC at 5.0% for three months, USDC at 5.5% for six months. A curve emerges, where the difference between adjacent terms is the term premium, the additional yield lenders require for committing capital longer. Fifty basis points between one month and three months. Another fifty between three and six.



The USDC fixed-rate curve

Where the grid of reserves lays out every rate and duration the market could converge on, Borrow Intents and Conditional Liquidity give both sides a way to express demand and commit to terms across different rate and duration reserves.

2.2 The two-sided primitive: Borrow Intents & Conditional Liquidity

Fixed Rates lets both sides of the market (borrowers and lenders) communicate what they want before any capital commits.

On the borrower side, a Borrow Intent is an on-chain instruction stating desired terms. "$10M USDC, at no more than 5.5%, for three months." The intent sits on-chain, visible to lenders and curators, until it either fills, expires, or gets canceled by the borrower.

On the lender side, Conditional Liquidity signals willingness to allocate capital at specific rates & durations (set by a vault or directly by an individual lender). "Up to $50M at minimum 5.5% for three months; up to $30M at minimum 6.0% for six months." Critically, the capital backing these conditional allocations does not need to move at this point. It can remain earning in whichever reserves it is currently deployed, and will instantly reallocate into the fixed-rate reserves when a matching borrower steps in.

When a Borrow Intent matches with a Conditional Liquidity allocation, the system atomically:

- Moves capital out of the reserves where it is currently allocated
- Moves it into the matched fixed-rate reserve
- Originates the loan

This changes what both sides can see.

A borrower preparing a position can see exactly what the market is offering: where lenders are willing to lend, at what rates, for what durations, in what size.

A lender preparing to allocate can see exactly where borrow demand sits: where borrowers want size, at what rates, for what durations.

This is price discovery in the conventional sense: supply meeting demand with both sides expressing terms before commitment. The market clears where preferences overlap. A Borrow Intent at 5.5% for three months meets Conditional Liquidity at 5.5% for three months; the fill executes; both sides are committed to the same number for the same horizon.

2.3 Solving the cold-start market problem

Fixed-rate lending on-chain runs into an inherent bootstrapping problem. Any new reserve launches with no liquidity and no participants. Lenders won't deposit into it, because capital sitting in an empty reserve earns nothing while it waits for borrowers. Borrowers won't show up to it, because there is no liquidity to borrow, and they have no way to signal that they would, at the right terms. Each side waits for the other, and the market never forms.

Kamino Fixed Rates dissolves this problem, because each primitive covers one side of it:

- Conditional Liquidity lets lenders signal lending demand, in any reserve, at any rate and term, without their capital becoming idle
- Borrow Intents let borrowers signal borrow demand: size, rate ceiling, term
- Matching turns the two signals into a live loan the moment they overlap, so capital only ever needs to enter a fixed-rate reserve at the instant it starts earning its fixed rate
- Fixed terms, the Withdrawal Queue, and the maturity mechanics give lenders an enforced path back to their capital, a requirement for any rational lender

Ultimately, the market forms exactly where, and only where, both sides match.

One of the most consequential design decisions of this product is how the smart contract has been developed: Kamino Fixed Rates does not introduce an entirely new, untested on-chain program. Instead, the product is built entirely on the existing Kamino Lend infrastructure, which already protects billions of dollars in user funds, has undergone 18 external audits and 3 formal verifications, and maintains a track record of zero bad debt through three years live in production. Every component described below runs inside that program.

In the next section, we dive into the full architecture that the system is built on.

PART 03

Part 3: System architecture

3.1 Markets and reserves

Markets are isolated credit environments that ring-fence risk to the market, the assets within it, and its participants. Each market has its own supported collateral, debt tokens, and risk parameters. Within a market, each token is separated into a "reserve," an individual lending pool with its own rate, liquidity, borrowers, and, for fixed-rate reserves, maturity schedule.

How it works

The Superstate market, for example, allows borrowers to post RWA collateral such as FWDI, USCC, or GLXY, and borrow USDC against it. Since launch, the variable-rate USDC reserve has been the only reserve that participants could borrow from in this market. Now, alongside it, the market can also support multiple fixed-rate USDC reserves.

For example (rates illustrative): USDC at 5.0% borrow rate for three months, USDC at 5.5% for three months, USDC at 6.0% for three months, and USDC at 6.5% for six months. The rate and term grid can grow as market participants price the USDC curve through supply and demand.

A borrower can simultaneously hold loans across multiple reserves in a market:

- USDC at the variable rate
- USDC at 5.5% with 3-month term
- USDC at 6.0% with 6-month term

Each loan remains a separate debt position within the same obligation against the borrower's collateral. Position health reads all three debt positions together.

3.2 Vaults: the lender abstraction

Vaults are single-token pools run by professional risk managers, often called curators, who allocate pooled capital across reserves and markets to generate a risk-adjusted return. Lenders deposit into the vault and earn that return while the curator manages the capital on their behalf.

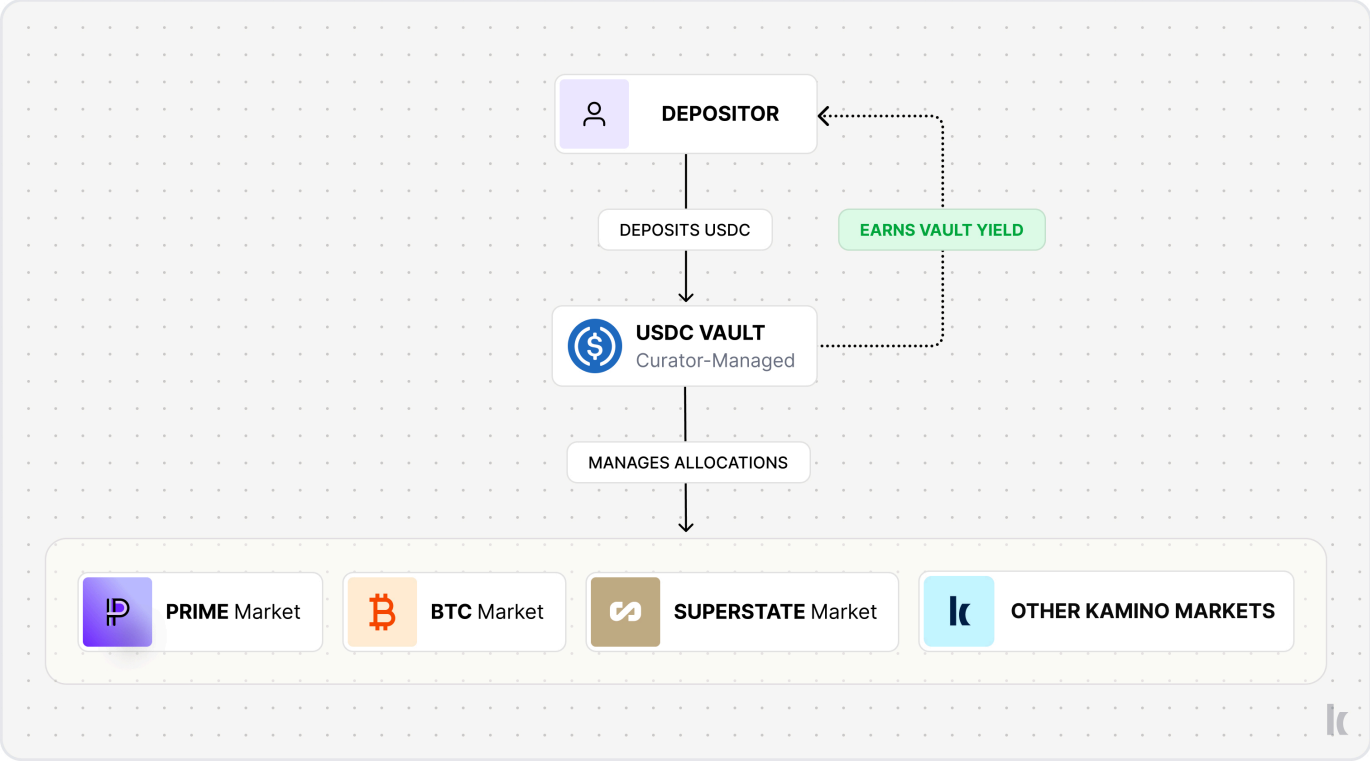
How it works

A lender deposits USDC into a USDC vault. The curator allocates the aggregated capital across reserves, including the Superstate market's variable reserve, variable reserves in other markets, and fixed-rate reserves through Conditional Liquidity. The depositor sees a single blended return.

The vault layer absorbs work that individual lenders would otherwise have to manage:

- Deciding which markets and reserves to allocate to
- Monitoring yields across dozens of reserves
- Rebalancing capital as conditions shift
- Managing Conditional Liquidity allocations
- Maturity and rollovers

Vault curators handle these jobs in full.



Kamino Vaults

3.3 Conditional Liquidity

Conditional Liquidity solves a long-standing problem in on-chain lending. A lender has traditionally signaled willingness to lend in a reserve by depositing into it. If borrowers have yet to arrive, that capital sits idle for the entire wait.

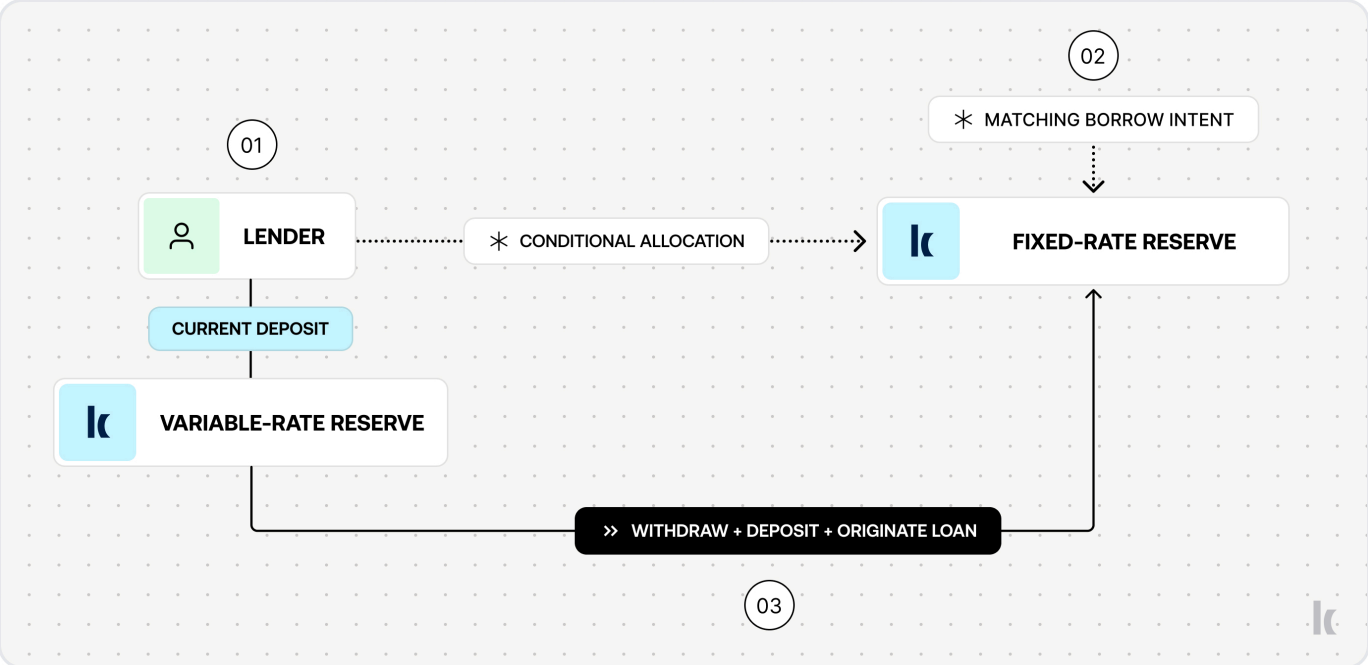
Conditional Liquidity separates the signal from the deposit. A lender can offer liquidity across multiple fixed-rate reserves while its capital remains productive in a variable-rate reserve. When that Conditional Liquidity matches with a borrower, the funds move to fill the borrow.

How it works

A vault curator signals Conditional Liquidity: "up to $50M of this vault's capital at a minimum of 5.5% for three months in the Superstate market," while the capital stays deployed across the vault's existing allocations. A borrower sees "$50M available liquidity" in every three-month reserve at 5.5% or above. When the borrower takes the liquidity directly or through a matching Borrow Intent, the protocol:

- Withdraws the required amount from the vault's existing allocations
- Deposits it into the matched fixed-rate reserve
- Originates the loan

This happens atomically, so the vault's allocations change only at the moment of match. The same approach applies to individual users who wish to lend into fixed-rate reserves. They can keep funds in variable-rate reserves, signal willingness to lend in specific fixed-rate reserves, and match when borrowers step in.



Atomic Conditional Liquidity fill

Lenders can also deposit directly into a fixed-rate reserve, funding a specific rate and term outright. Conditional Liquidity is the primary instrument for capital offered across the breadth of the grid.

3.4 Borrow Intents

Borrow Intents enable borrowers to name the loan terms they want by submitting an on-chain instruction specifying:

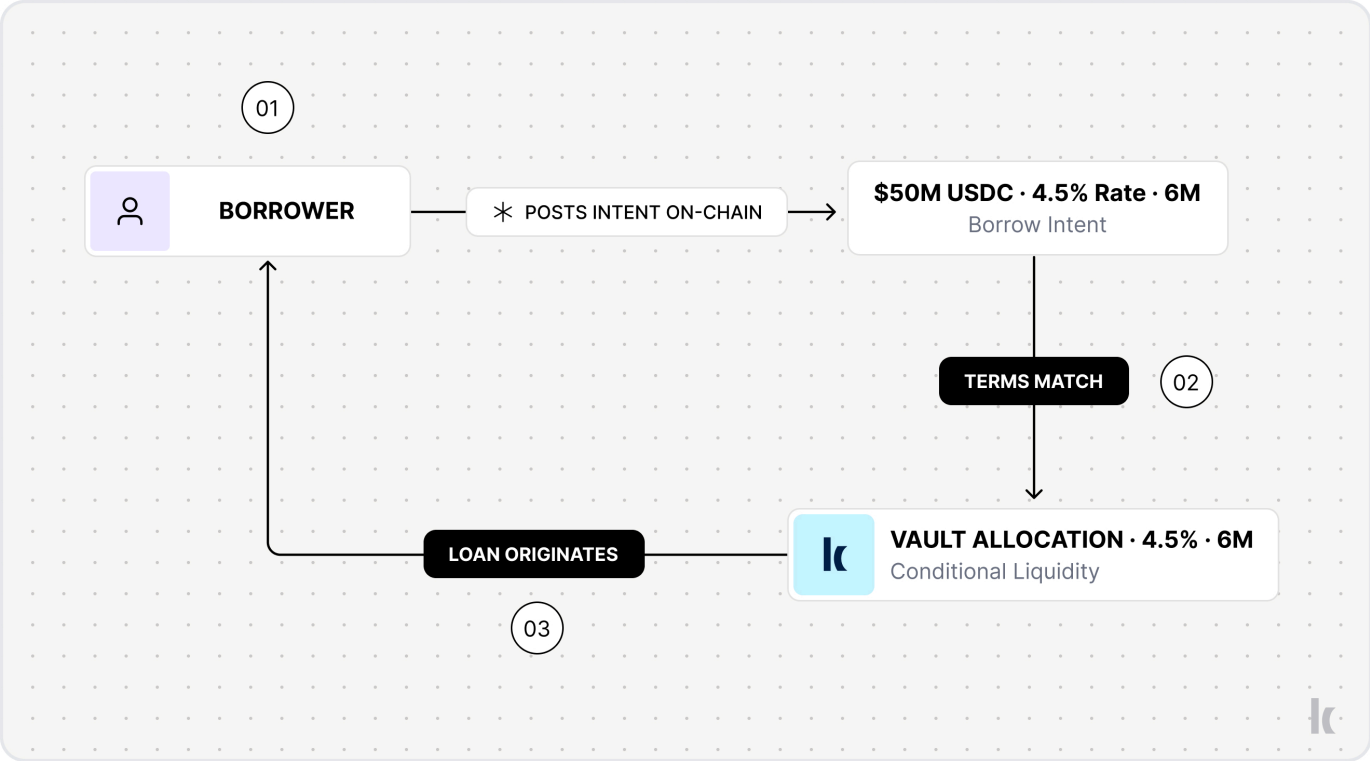
- The maximum rate they will pay
- The term of the loan
- The size they need

How it works

Every Borrow Intent is collateralized: a borrower places it against collateral already deposited in the target market, or deposits collateral as part of placing the order.

Once posted, the intent is visible on-chain and remains active until filled, canceled, or expired. The borrower sets the expiry at placement. From there, one of three things happens:

- **Compatible liquidity exists.** The intent fills atomically, and the borrower receives the borrowed token in a single transaction.
- **No compatible liquidity exists.** The intent stays open as a visible expression of demand. Curators and users can see where demand is aggregating across the rate and term grid and allocate accordingly. The intent fills automatically when liquidity arrives.
- **Partial liquidity exists.** Part of the order fills immediately, and the intent remains active for the rest of the amount.



Borrow Intent atomic fill

A borrower always knows their cost of capital upfront. A trader running a carry trade can set the intent's maximum rate at a level where the trade stays profitable. If no lender fills it, the trader does not take the loan.

3.5 Matching and execution

Matching pairs open Borrow Intents with available liquidity, whether Conditional Liquidity from a vault or individual lender, or capital deposited directly into a fixed-rate reserve. Execution is the atomic transaction that originates the loan once a match is found.

How it works

Matching bots monitor open Borrow Intents for compatible liquidity and submit fill transactions when they find a match. A fill converts a standing Conditional Liquidity allocation into a productive fixed-rate position. The layer is permissionless: anyone can submit a fill, and a curator or individual lender can fill a specific Borrow Intent directly.

The protocol validates every fill atomically against the full set of system-level constraints, ensuring that:

- The reserve's rate is at or below the borrower's stated maximum
- The reserve's duration matches the intent's duration
- The borrower's collateral is healthy at the post-fill LTV
- The intent has not expired and has not been canceled
- The lender's Conditional Liquidity allocation still authorizes the fill
- The reserve has sufficient liquidity, after withdrawal-queue claims, to support the fill

If any check fails, the transaction reverts and no state changes. If all checks pass, the loan originates in one transaction and the borrowed token arrives in the borrower's wallet. When multiple fills race for the same intent, the first to land wins and the others revert harmlessly.

3.6 Withdrawal Queue

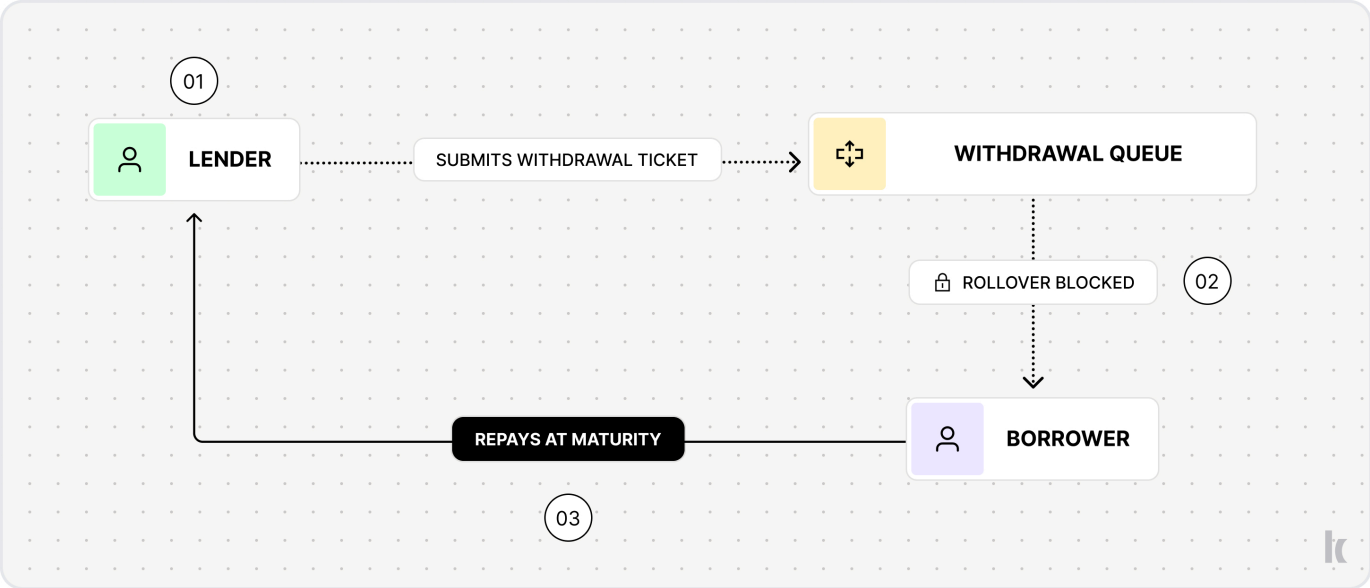
If there is no liquidity available for instant withdrawals in a given reserve, the Withdrawal Queue gives lenders a way out of the reserve ahead of borrowers who want to stay in: a first-in-first-out (FIFO) exit queue on each reserve.

How it works

A lender who wishes to exit early submits a withdrawal ticket into the reserve's queue. From there:

- Tickets are processed automatically and strictly in submission order whenever loan repayments, new deposits, or liquidations bring liquidity into the reserve
- While a ticket is outstanding, it blocks the rollover of maturing loans in that reserve: the borrower must repay or migrate to a different reserve (per their rollover configuration, described below), and the freed capital flows to the lender at the front of the queue
- Tickets can be canceled at any time before they fill

A lender who queues for withdrawal while lending into a 90-day term will be able to exit, at the very latest, within 90 days, or earlier if liquidity frees up in the reserve before then. The lender's queue position takes precedence over the borrower's rollover: at maturity, the loan must be repaid, and the funds flow to the queue first.



Withdrawal Queue forced rollover

This gives a lender committed to a fixed-rate position a deterministic path back to its capital. Exit timing is determined by the active loans' expiries and the lender's place in the queue. Lenders can plan that timing against their own capital commitments, such as a vault curator fulfilling depositor redemptions or a fund meeting capital calls.

3.7 Maturity, rollover, and early repayment

Every fixed-rate loan has a maturity date. At that point, the borrower repays, the loan rolls into a new term, or the protocol settles the debt from the posted collateral, according to preferences the borrower sets at origination.

How it works

When a loan originates, its maturity is set as the start time plus the term. At maturity, its grace period begins and the borrower's chosen behavior takes effect: either (i) the loan enters auto-rollover, or (ii) the borrower must manually close it by the end of the grace period.

Grace period

The grace period is a configurable window after the loan's term expires. During this window, the borrower can repay or let a rollover find liquidity before the position closes automatically. It applies when auto-rollover is disabled or cannot execute immediately at maturity.

(i) Auto-rollover enabled

Auto-rollover attempts to instantly renew a user's loan once the current term runs to maturity.

Auto-rollover optimizes for the borrower: it will always try to renew the loan at the lowest available rate, in the user's specified term (for example, if the user was borrowing at 5.5% 3m, and 4.5% 3m has sufficient liquidity to support the rollover, the auto-rollover mechanism will roll into that reserve).

Once a loan with auto-rollover enabled reaches maturity, one of four things can occur:

- **Rollover executes.** The loan rolls into the same, or a better, fixed-rate reserve, with the same loan duration. This can happen instantly once maturity is reached, or it can occur during the grace period.
- **Variable fallback.** The loan attempts a fixed-rate rollover first. If no fixed-rate option succeeds by the end of the grace period, the position migrates into the variable-rate reserve in the same market, if liquidity permits it.
- **Manual repayment.** The borrower can manually close out the loan at any point.
- **Auto-repay triggers.** If neither a fixed-rate nor variable-rate rollover is available, and the borrower fails to manually close out the loan during the grace period, the loan becomes eligible for Auto-Repay (described below).

A rollover succeeds only if the target reserve has sufficient available liquidity after withdrawal-queue claims. If a lender has queued a withdrawal in the borrower's current reserve, that queue position takes precedence and auto-rollover attempts another compatible reserve.

Rollover can only occur within the same lending market and for the same asset. A loan in the Superstate market cannot roll into a PRIME market reserve.

(ii) Auto-rollover disabled

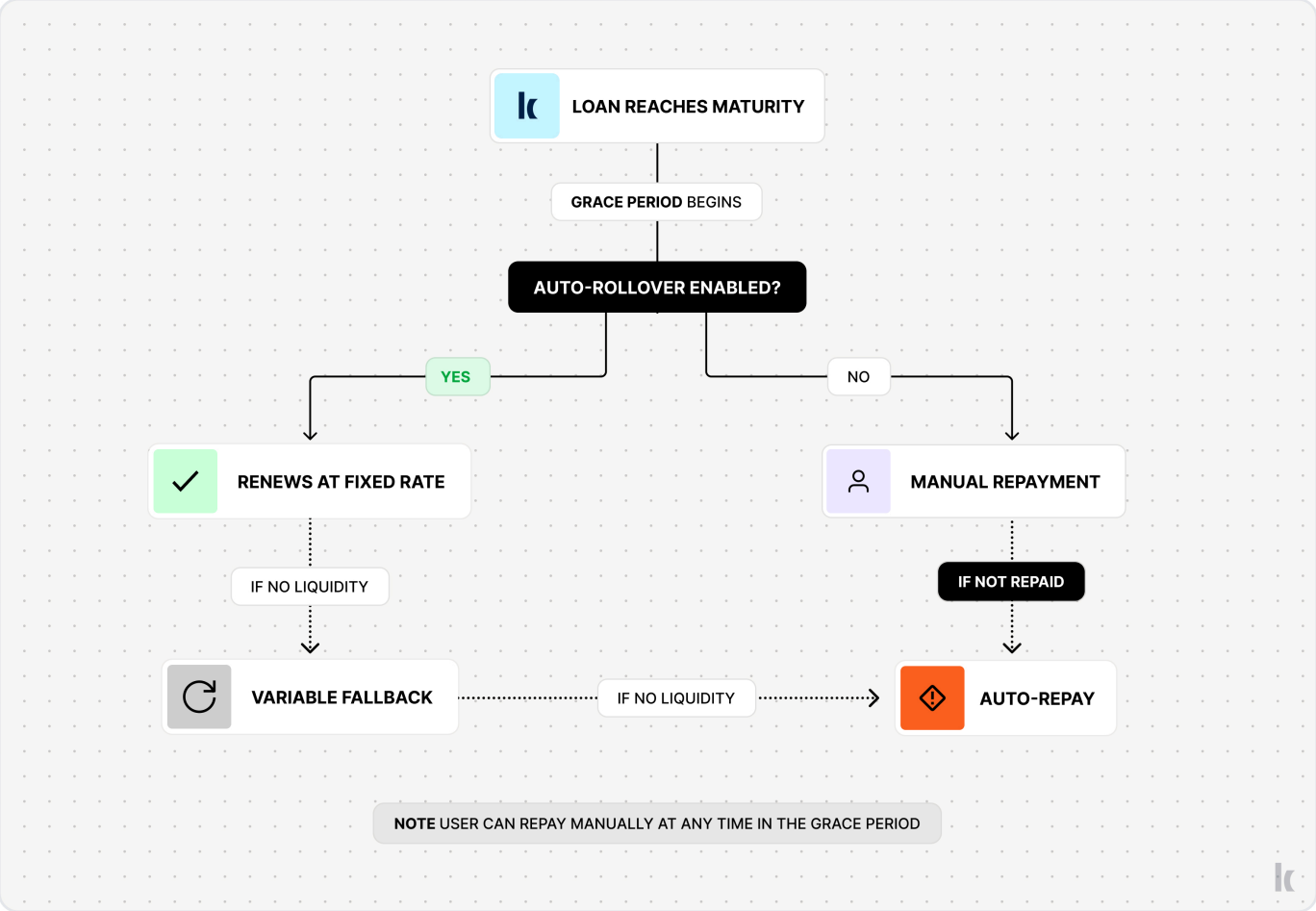
If the user has auto-rollover disabled, the loan must be manually repaid by the borrower during the grace period. If it is not repaid during the grace period, the position closes through Auto-Repay (described below).

Auto-Repay

If no rollover path succeeds and the borrower does not repay within the grace period, the position closes through **Auto-Repay**: the protocol settles the debt from the borrower's posted collateral, with a small fee on top. In one step, Auto-Repay:

- Seizes a portion of the borrower's collateral, at the oracle price (enough to cover only the debt and the auto-repay fee)
- Clears the borrower's debt
- Increases available liquidity in the reserve, allowing the Withdrawal Queue (if any) to process

Whatever collateral remains stays with the borrower, which means, in practice, the borrower's net value before and after an auto-repay event is near-identical, the primary difference being the fee that was taken on top of the collateral seized to repay the debt.



Fixed-rate loan maturity flow

Early repayment

A fixed-rate loan can be repaid at any point in its term, in full or in part. Repaying before maturity carries an early-repayment fee:

- The fee is calculated as a percentage of the interest that the repaid amount would have generated over the remainder of the term. This fee is largest immediately after origination, and decays over time, reaching zero at the maturity date
- Partial repayments are charged pro-rata, on the repaid amount only
- Borrowing an additional amount on an existing fixed-rate loan will restart the term, and adjust the fee to match the new loan value
- Rolling over into a new term also restarts the term and resets the fee

This fee is necessary because the lender funded the loan expecting to earn interest for the full term, so a borrower who exits early pays for cutting that commitment short. Repaid principal returns to the reserve as available liquidity, where it services queued withdrawals first and is otherwise available to be borrowed again.

During the Fixed Rates rollout phase, early repayment penalties will be zero or near-zero, giving users time to become familiar with the product before substantial penalties apply.

PART 04

Part 4: In practice

4.1 A credit desk locks a borrow rate

A credit desk holds $80M of tokenized Treasury collateral in a dedicated institutional market and wants to borrow $50M USDC against it for six months to fund a market-neutral strategy. The desk's models require a borrow cost at or below 4.5%. Beyond that point, the strategy's economics break.

The desk posts a Borrow Intent against its collateral: $50M USDC, at no more than 4.5%, for a six-month term, with a 14-day expiry. On the same grid, a vault curator has Conditional Liquidity of up to $60M on the USDC 4.25% six-month reserve. A matcher confirms that the rate, term, size, and collateral fit the order and submits the fill.

In a single transaction, $50M moves out of the vault's variable-rate allocations, into the 4.25% six-month reserve, and lands in the desk's wallet. The position is live: $50M USDC borrowed at 4.25%, locked for six months, against $80M of tokenized Treasury collateral.

For the next six months, the desk's cost of capital is a single known number and the strategy's spread is modelable regardless of where variable rates move. At month six, auto-rollover renews the position at the lowest-rate six-month reserve available. If a lender enters the Withdrawal Queue, the position follows the rollover and maturity paths described in Part 3 while the lender's capital returns deterministically.

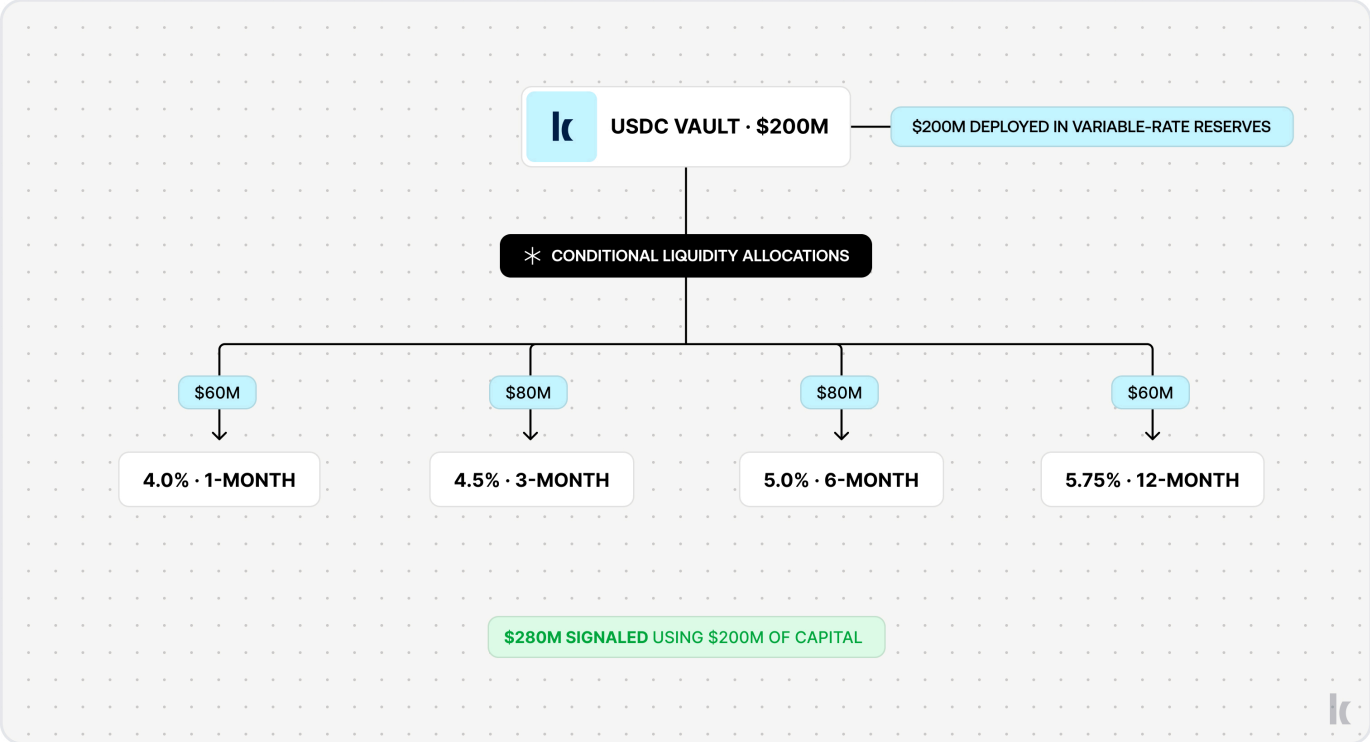
Across those six months, the desk doesn't have to touch the position once.

4.2 A vault curator allocates across the curve

A vault curator manages a $200M USDC lending vault, with a strategy of capturing term premium across the fixed-rate grid.

The full $200M begins in variable-rate USDC reserves, earning the floating yield. The curator then places Conditional Liquidity across several fixed-rate reserves:

- $60M at 4.0% for one month
- $80M at 4.5% for three months
- $80M at 5.0% for six months
- $60M at 5.75% for twelve months



Conditional Liquidity across the fixed-rate curve

The allocations overlap, with $280M signaled using $200M of capital. The same underlying capital backs these offers until it matches, allowing the curator to meet demand at several rates and durations.

As borrower demand arrives, the curator's capital matches into the corresponding reserves. Each fill moves a slice of the $200M out of variable and into the matched fixed-rate reserve, where it earns the locked rate for the term. The remaining conditional allocations adjust to the capital still available.

When a term ends, one of two things happens:

01 The borrower rolls over in the same reserve, and the position continues for another term

02 The loan is repaid, or the borrower rolls into a cheaper reserve, and the capital returns to the vault's variable-rate allocations, where its standing Conditional Liquidity keeps it available to match again

If the curator wants capital back mid-term, they can withdraw immediately if liquidity permits or enter the Withdrawal Queue, which returns funds as the reserve's loans mature, in full at the latest by the end of the longest outstanding term.

The curator manages the rates, terms, and amounts offered across the grid while keeping enough of the vault liquid for depositor withdrawals. The protocol handles allocation, matching, fills, and rollovers underneath. Depositors hold one vault position that blends variable yield on unmatched capital with locked term yield on matched capital, with no manual rebalancing or capital pre-positioning required.

4.3 Multiply on Fixed Rates

Multiply is Kamino's one-click product for increasing exposure across staked-asset, real-world-asset, and broader yield strategies. With Fixed Rates, Multiply extends to fixed-rate carry trades. A user can increase exposure to a yield asset against a fixed borrow rate for a defined term, setting the position's cost of capital for its entire duration. The carry, or asset yield minus borrow rate, moves only with the asset's yield.

A position in an asset yielding 8.5% against a 5.0% fixed borrow carries 3.5% per loop for the full term, regardless of where variable rates move. For real-world-asset yield positions such as PRIME, where the underlying yield is already reasonably stable, this creates more predictable spreads across fixed time horizons.

The Multiply UX is unchanged. Pick a strategy. Pick a multiplier. Pick a duration. Confirm. The fixed-rate stack runs underneath, with auto-rollover keeping the strategy active across terms and the Withdrawal Queue protecting lender exits.

PART 05

Part 5: What comes next

Credit markets are markets for time: every bill, bond, and loan is a price attached to a period. Governments fund themselves this way; companies borrow this way, and the institutions now bringing their assets on-chain have priced time this way for decades. On-chain credit, meanwhile, has grown to tens of billions of dollars almost entirely on floating-rate, open-term loans, with no maturities to plan around.

Kamino Fixed Rates gives on-chain markets financing at known costs over known horizons, priced by each market's own participants. An asset can have a dedicated market on Kamino with risk parameters fitted to it, and each market can grow its own curve.

Development of Kamino Fixed Rates is now complete, with [x] audits completed, and the program is fully open-source. The first fixed-rate reserves have been running on Solana mainnet for over eight weeks, on Kamino's staging program.

The official Fixed Rates launch will happen gradually over the coming weeks, starting with a few select assets and markets on Kamino.

If you are an institution seeking fixed-term financing, an asset issuer considering a dedicated market, a fintech exploring fixed-rate credit, or a curator adding fixed rates to your earn products, contact us at institutions@kamino.com.

Source notes

01 RWA.xyz, RWA Overview, accessed 19 August 2026.

02 Citi, “Tokenization 2030”; Boston Consulting Group, “Global Asset Management Report 2026”.

03 Citi, “Tokenization 2030”; State Street, “2025 Digital Assets Outlook”; J.P. Morgan, “Digital Financing”; U.S. Securities and Exchange Commission, statement on DTC tokenization.

04 Bank for International Settlements, “International finance through the lens of BIS statistics: bond markets, domestic and international”; BIS debt securities statistics.

05 Kamino Lend releases.

06 Certora, Kamino Lend 1.17.0 security review; OtterSec, Kamino Lend 1.16.0 and 1.17.0 security review.