

# Solana DeFi Protocols Kamino Finance and Lido Finance Optimize Network Decentralization via Liquid Staking

*Kamino Finance integrates Lido's stSOL liquid staking into its platform for increased network decentralization and security.*

LONDON, UNITED KINGDOM, October 31, 2022 /EINPresswire.com/ -- The decentralized finance (DeFi) protocols [Kamino Finance](#) and [Lido Finance](#) have developed a novel method to help increase Solana's decentralization and security. Instead of swapping SOL for stSOL to balance liquidity deposits, Kamino will begin directly staking SOL for stSOL through Lido, increasing the number of SOL delegated to Solana validators.



Kamino Finance and Lido Finance work to increase liquidity and decentralization on Solana through liquid staking.

Lido Finance is the biggest liquid staking token platform in all of DeFi. Lido holds the second-highest total value locked (TVL) in DeFi, with over \$7 billion in assets staked. Lido's stSOL is responsible for helping stake over four million SOL tokens with a widening variety of validators that secure Solana's decentralized network.

Kamino Finance provides automated vaults that manage concentrated liquidity positions on Solana. These positions earn fees for users who deposit their tokens to help facilitate trade on Solana's decentralized exchanges (DEXs), increasing the overall liquidity of DeFi on Solana while providing yield opportunities for all users.

Lido allows users to stake their SOL and participate in DeFi with an interest-bearing token, stSOL, representing SOL plus rewards earned from staking, currently at around 5.5% APY. The protocol stakes stSOL's underlying SOL with validators outside of Solana's supermajority, or the number of parties that must conspire to override the network, which currently stands at 31.

"Lido has been a great ecosystem partner," said Mark Hull, one of Kamino's core contributors.

“We’re thrilled we can help contribute to the amount of staked SOL securing Solana while helping decentralize the network.”

Hull said, “Lido’s great effort to ensure that SOL is staked as efficiently as possible runs in parallel with Kamino’s mission to optimize the capital efficiency of DeFi on Solana. The collaboration between Lido and Kamino is a step in the right direction for DeFi composability, decentralization, and adding value to the Solana user experience.”

At the time of writing, Kamino’s stSOL-SOL vault earns users about 6% APY from trading fees on Orca’s concentrated liquidity Whirlpools. In addition, users can earn 12% APY from LDO rewards on top of the yield generated from trading activity.

Akeel Qureshi  
Hubble Protocol  
[email us here](#)

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