Kaia D2I Program Report

Future Directions for Kaia DeFi

Kaia Foundation · Follow

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Kaia D2I Program

low synergy with other services.

Initially, the ecosystem revolved around KAIA and KCT (Kaia Compatible Tokens). However, the depegging of bridged assets earlier this year distorted the on-chain value of KCT. This created bad debt across various DApps offering liquidity borrowing services (such as Lending, CDP, and Leveraged Yield Farming) and left general DApps struggling with accurate asset pricing. As a result, DeFi became challenging for users to engage with on Kaia.

The program's immediate goal is to revitalize this underutilized ecosystem and build a financial infrastructure for new DApps after the merge. Its long-term objective is to reinvigorate Kaia's DeFi ecosystem.

In the first half of 2024, three DEXes were selected as D2I partners: two v3 AMM (Spot) DEXes — Dragonswap and Kaiaswap — and one Coverage Ratio AMM (Spot) DEX, CapyBara. Despite Kaiaswap's recent departure, the

- https://flipsidecrypto.xyz/lano/kaia-d2i-dashboard-SO9iyD?tabIndex=1

- https://flipsidecrypto.xyz/pepperatzi/capy-bara-dex-overview-un1pCZ

- https://dune.com/kaia_foundation/kaia-overview-dashboard

- https://defillama.com/protocol/dragonswap#information

- https://defillama.com/protocol/capybara-exchange#information

- https://swapscanner.io/dashboard

Moving forward, D2I builders are evolving beyond simple DEXes into comprehensive platforms. They're continually adding features such as Launchpads, Meme Platforms, Liquidity Managers, Raffles, and Perpetual Futures.

This robust infrastructure now allows all Kaia ecosystem DApps — including those on the upcoming Line Miniapp platform — to easily establish on-chain

of the year, Kaia plans to onboard Avalon Finance, a Money Market, and — if necessary — an additional major DEX team capable of handling institutional liquidity.

The DeFi landscape is evolving. It's shifting from complex "money legos" (such as Yield Aggregators and Leveraged Yield Farming) towards derivatives primarily based on native coins and stablecoins. This change aligns with growing institutional demand.

As the core financial infrastructure (Spot DEX and Money Market) stabilizes, we'll focus on creating derivatives based on native coins and stablecoins (e.g., LSDfi, LRTfi, Yield Stripping Derivatives). Our primary goal is to increase exposure to LSD and LRT, enabling Kaia's native coin to play an active role in the DeFi ecosystem.

the future of Bitcoin finance, where decentralized and centralized models converge to create more efficient, scalable, and secure lending solutions.

Why We Are Building on Kaia Chain

Avalon Labs is building on the Kaia chain to leverage its focus on community, sustainability, and simplicity — values that align with Avalon's vision for decentralized finance. Kaia's emphasis on fostering inclusive ecosystems and promoting blockchain adoption through user-friendly, open-source technology makes it an ideal platform for Avalon to expand its CeDeFi and BTC LSDFi initiatives. By streamlining blockchain experiences for users worldwide, Kaia offers Avalon Labs the opportunity to engage a broader audience while building products on a foundation that prioritizes long-term impact and growth.

The Kaia chain's collaboration with leading DeFi projects and strategic partnerships, including the integration of global blue-chip DeFi protocols, provides Avalon Labs with a robust ecosystem to enhance liquidity and

collaborating on the BNB chain.

A key differentiator is their early adoption of FBTC as collateral, a cutting-edge asset class. Avalon Labs's close partnership with Babylon validates our approach — we're among the first lending protocols recognized by Babylon, with plans to list over 8 LSDfi assets within the month. They're also developing our first collateralized debt position (CDP), drawing comparisons to $DAI in stablecoin innovation. With $725 million in TVL and $225 million in outstanding loans across chains, Avalon Labs ensures no asset sits idle, maximizing capital efficiency and yield generation throughout the ecosystem.

What values will you be bringing to the chain?

Avalon Labs is committed to bringing their 80–90k active users and substantial Total Value Locked (TVL) to Kaia Chain, expanding its visibility beyond the Asia-Pacific region into niche markets worldwide. Their efforts will drive Kaia Chain's global reach, positioning it as a key player in the

We're the team spearheading the ecosystem and technological development of the Kaia blockchain.

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More Upcoming Mini Dapps on LINE!

Recently, Kaia and LINE NEXT unveiled their initial lineup of 20 launches on the Dapp...

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라인의 미니 Dapp 추가 라인업을 공개합니다.

지난 번 Kaia와 LINE NEXT는 Dapp Portal(powered by Kaia)에서의 첫 론칭 라인업...

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