

# Interest Rate Model

## Borrow APR

The interest rate model for borrowed assets can be calculated using the following formula:  $\text{Base} + \text{Multiplier} * \min(\text{UtilizationRate}, \text{Kink}) + \max(\text{JumpMultiplier} * \text{UtilizationRate} - \text{Kink}, 0)$

## Supply APR

The interest rate model for supplying assets can be calculated using the following formula:  $\text{Distribute}(\text{Interest Paid by Borrowers Per Block} - \text{Reserve})$  to all suppliers, and convert it into APY  $= \text{Distribute} [(1 + \text{Borrow APY}) ^ (1 / \text{BlocksPerYear}) - 1] * \text{Total Borrow} * (1 - \text{Reserve Factor})$  to all suppliers, and convert it into APY  $= \{[(1 + \text{Borrow APY}) ^ (1 / \text{BlocksPerYear}) - 1] * \text{Total Borrow} * (1 - \text{Reserve Factor}) / \text{Total Supply}\}$ , and convert it into APY  $= \{1 + [(1 + \text{Borrow APY}) ^ (1 / \text{BlocksPerYear}) - 1] * \text{Total Borrow} * (1 - \text{Reserve Factor}) / \text{Total Supply}\} ^ \text{BlocksPerYear} - 1$  [Protocol - Previous Liquidation Event Next - Protocol Contracts](#) Last modified 3mo ago

On this page Borrow APR Supply APR