

USERS

LENDING PROTOCOL

User actions

Deposit

Withdraw

Offset

Liquidate

Repay

Borrow

Bad debts
 D

Net position
 N

Lending pool n

Lending pool i

Total available funds
 F_i

Supply tokens
 S_i

Borrow tokens
 B_i

Supply interest rate
 R_i^S

Utilization ratio
 U_i

Borrow interest rate
 R_i^B

Attractiveness for
supply

Attractiveness for
borrow

Collateral factor
 C_i

Supply value
 v^S

Borrow value
 v^B

Loan health
 H

Supply confidence

Borrow confidence

MARKETS

Cryptocurrency n

Cryptocurrency i

Price
 P_i

Competing borrow
interest rate
 $R_i^{B,c}$

Competing supply
interest rate
 $R_i^{S,c}$

GOVERNANCE AGENT

Agent actions

Raise

Lower

Keep

State

Derived state

Action

Positive effect

Negative effect