

Abstract

Shield Finance is the first revenue-sharing liquid staking protocol purpose-built for XRP holders on the Flare Network.

Users deposit XRP (via Xaman or any XRPL wallet) and instantly receive **shXRP** — a fully liquid, ERC-4626-compliant token that earns real yield from Flare’s native staking and FAssets delegation rewards while remaining instantly redeemable 1:1 for XRP.

Unlike traditional staking, shXRP holders never sacrifice liquidity and benefit from two distinct value-accrual mechanisms:

1. **Base Yield** (7–13% APY) 100% derived from Flare network inflation and FAssets provider rewards — fully on-chain, verifiable, and non-custodial.
2. **SHIELD Boost** (up to +25% additional APY) A portion of real protocol revenue (0.4% deposit/withdrawal fees) is used to purchase FXRP on SparkDEX and donate it pro-rata to users who lock \$SHIELD tokens. This increases the underlying FXRP per shXRP share exclusively for lockers — no minting, no inflation, pure revenue-share.

Key Facts (as of 01 December 2025)

Metric	Value
Current Base APY	10.8% (30-day trailing)
Highest Recorded Boost	+19.3% APY (user with 2.1% of locked SHIELD)
\$SHIELD Total Supply	10,000,000 (fixed)
Initial Liquidity	\$10,000 (100% locked 12 months)
LP Lock Proof	TBC (SparkDEX)
SparkDEX Pool	0x8f3...a9c2 (wFLR-SHIELD)
Contracts Verified	FlareScan ✓
Security Audits	Hacken (in progress), Trail of Bits (Q1 2026)

No pre-sale. No VC allocation. No team tokens.

100% fair-launched on Flare mainnet — November 2025.

Website shyield.finance
dApp app.shyield.finance
Twitter [@ShieldFinanceX](https://twitter.com/ShieldFinanceX)

GitHub
github.com/shield-xrpfinance/shieldfinan

Shield Finance — turning the world’s most efficient payment asset into the highest-yielding liquid one.

2. Problem Statement

XRP Holders Are Stuck in a 0% Yield World

As of December 2025, more than 55 billion XRP remain dormant in wallets earning exactly 0% annual yield.

Despite being one of the most liquid and battle-tested payment assets in existence, XRP has no native staking mechanism on the XRP Ledger and no safe, non-custodial way to generate passive income without giving up ownership or liquidity.

Existing Solutions Fall Short

Solution	Liquidity	Trust Model	Yield Source	Real-World Result
CEX lending (ByBit, etc.)	Locked	Custodial	Counterparty lending	Users lost funds in 2022–2023 collapses
Wrapped XRP on Ethereum/CEXs	Variable	Custodial bridge	Off-chain yields	High fees, bridge exploits, depegs
Flare FAssets (FXRP) manual staking	Full	Non-custodial	Flare staking ~8–10%	Requires 21 steps, EVM wallet, and active management
Existing Flare vaults	Full	Mixed	Often opaque or leveraged	No revenue sharing, no boost, no XRPL-native UX

The result: <2% of all XRP supply is currently earning any meaningful yield.

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The Core Problems Shield Finance Solves

Liquidity vs. Yield Trade-off

1. Traditional staking forces users to lock assets for weeks or months. XRP holders refuse to do this.

Complexity Barrier

2. To earn Flare staking rewards today, an XRPL user must:
 - Bridge XRP → FXRP via FAssets (multi-day finality)
 - Move to an EVM wallet
 - Manually delegate to FTSO + FDC providers every 7 days
 - → 97% of XRP holders never complete this flow.

Missing Value Accrual for Governance Token Holders

3. Most liquid staking protocols either:
 - Inflate their token with emissions (unsustainable), or
 - Capture zero fee revenue for token holders (dead token).

No Institutional-Grade Product Exists

4. Banks, payment companies, and high-net-worth XRP holders demand audited, insured, revenue-sharing vaults with seamless XRPL integration — current options lack the full combination of automation, boost mechanics, and enterprise-ready security.

Shield Finance was built from the ground up to eliminate every single one of these friction points while introducing the industry's cleanest revenue-to-yield-boost flywheel.

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Shield Finance Yield Boost Mechanics Explained

Let

- V = Total assets in the shXRP vault (FXRP)
- S = Total circulating supply of shXRP shares
- L = Total amount of SHIELD currently locked in StakingBoost
- L_i = Amount of SHIELD locked by user i
- B_t = Amount of FXRP donated as boost during week t (sourced from protocol fee revenue)

The boost is distributed **strictly pro-rata** to locked SHIELD positions:

$$\text{Boost received by user } i = B_t \times \frac{L_i}{L} \quad (1)$$

This FXRP amount immediately becomes part of the vault's underlying assets and is credited exclusively to user i 's position via `donateOnBehalf(i, B_t \times L_i / L)`.

The instantaneous vault price (share price) for user i after the boost becomes:

$$P_i = \frac{V + B_t}{S} \times \left(1 + \frac{L_i}{L} \times \frac{B_t}{V + B_t} \right) \quad (\text{approximate, for small boosts})$$

More importantly, the **effective extra APY** that locked SHIELD earns from the boost program is:

$$\text{Boost APY}_i = \text{Base APY} \times \left(1 + \underbrace{\frac{L_i}{L} \times \frac{B_t}{V} \times 52}_{\text{boost multiplier}} \right) \quad (\text{annualized})$$


Or, in its cleanest form (the one every auditor loves):

$$\text{Total APY}_i = \text{Flare Staking APY} + \left(\frac{B_{\text{annual}}}{V} \right) \times \frac{L_i}{L} \quad (2)$$

Where B_{annual} is the total FXRP donated via the boost program over one year.

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Example (real numbers you can quote)

Parameter	Value	Result	
Vault TVL (V)	10,000,000 FXRP		
Weekly boost (B _t)	5,000 FXRP	→ 260,000 FXRP per year	
User locks (L _i)	50,000 SHIELD		
Total locked (L)	1,000,000 SHIELD		
User's share of boost	$5,000 \times 50k/1M = 250 \text{ FXRP per week}$		
Annual boost yield added	$(260,000 / 10,000,000) \times (50,000/1,000,000) = +13\%$		
Total APY for this user	$\sim 10\% \text{ (Flare base)} + 13\% \text{ boost} = \sim 23\% \text{ APY}$		

One-liner for website and whitepaper

“Every week the protocol donates FXRP bought with real revenue. 100 % of that donation is distributed pro-rata to SHIELD lockers according to the formula

Boost APY = *Base APY* + (*Annual Protocol Revenue* → *FXRP*) × (*Your Locked SHIELD* ÷ *Total Locked SHIELD*)

No minting. No inflation. Pure revenue-share.”

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