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Investment Thesis

# XRP Ledger

XRP

## Basic Information

| | |
|---|---|
| Token type | Cryptocurrency |
| Price | $2.01 |
| GCCS Classifcation | Payment Platform, Infrastructure, Cryptocurrency |
| Sector | Payment Platform |

*Source: CoinGecko, Data as of April 8, 2025*

## Key Metrics

| | |
|---|---|
| Price Range (1Y) | $0.42 - $3.3 |
| All-Time High | $3.40 |
| All-Time High Date | 4 January 2018 |
| Down From All-Time High | 41% |
| Market Capitalization | $116.8B |
| Trading Volume (24H) | $6.6B |
| Circulating Supply | 58.27B XRP |
| Maximum Supply | 100B XRP |
| Volume / Market Cap | 5.6% |

*Source: CoinGecko, DeFiLlama, Artemis*
*Data as of April 8, 2025*

## Overview

**XRP aims to complement traditional payments by leveraging blockchain technology**. It was launched in 2013 by Ripple (at that time, OpenCoin), a company founded by Chris Larsen and Jed McCaleb. **The core thesis behind XRP is that most users would prefer to access some of the benefits of cryptoassets – namely, increased speed and lower transaction costs – through the convenience and safety of their established banking relationship.** XRP Ledger deviates from Bitcoin's proof-of-work consensus mechanism, which promotes free competition between miners. Instead, only approved participants are allowed to run servers and maintain a "Unique Node List" to create consensus on the network. This "permissioned" approach potentially makes XRP more suitable for regulated financial entities that must comply with strict regulations. Through XRP Ledger, Ripple has found a product-market fit in the cross-border payment industry, providing a real alternative to fragmented and opaque systems such as SWIFT. More than 300 financial institutions are currently connected to Ripple's payment network.

- **2013:** Ripple launched XRP. Because there was no mining process, 100 billion tokens were released at inception, of which 80 billion were allocated to the company and 20 billion to the founders.
- **Late 2020:** the SEC filed a lawsuit against Ripple, arguing that XRP satisfies the Howey test's requirements and is thus a security.
- **July 2023:** U.S. District Judge Analisa Torres ruled that the sale of XRP tokens on exchanges could not be classified as a securities offering. However, the ruling also stated that the sale of XRP tokens to institutions constituted the offer of investment contracts (securities).
- **2024:** Ripple unveiled a new sidechain, “XRPL EVM,” that will support Ethereum-compatible applications as well as a new stablecoin RLUSD that will be operational on both the XRP ledger, EVM sidechain, and Ethereum by the end of 2024.
- **Q1, 2025:** RLUSD has launched with $293 million in circulation, resolved its SEC litigation via a $50 million settlement, and secured Dubai Financial Services Authority approval for regulated payments.

## Key takeaways

- **XRP Ledger positions itself as a complementary tool for traditional financial systems**, aiming to modernize and streamline payments through blockchain technology rather than replace them entirely.
- The network’s "permissioned" design caters to regulated financial entities, ensuring compatibility with strict anti-money laundering and compliance standards.
- A resolution to the high-profile SEC case is anticipated next year, potentially providing clarity and driving institutional adoption of XRP.

## Risk factors

- **Regulatory Risk:** Ongoing uncertainty surrounding the SEC case continues to cloud XRP’s long-term adoption and market sentiment, leaving it vulnerable to potential adverse outcomes.
- **Decentralization Risk:** The "permissioned" nature of XRPL may limit appeal among decentralized finance (DeFi) and crypto-native communities that prioritize censorship resistance and self-sovereignty.
- **Adoption Risk:** Competing blockchain networks designed for payments, may challenge XRP’s relevance in the global payments ecosystem. XRP’s success is heavily tied to its utility within the traditional financial sector, exposing it to risks from declining institutional adoption or preference for alternative solutions.

## XRP (XRP) 1-Year Performance


*Source: CoinGecko. Data from April 9, 2024 - April 8, 2025*