BB1 (Bitbond) RWA Token Audit

Germany's first tokenized bond with a BaFin-approved prospectus (2019). Qualified subordinated unsecured debt of Bitbond Finance: €1 par per token, a 4% annual coupon plus 60% of the issuer's pre-tax profit, paid in XLM, maturing on June 30, 2029.

By: Toni Efren, Co-founder, 8Blocks · Published: Nov 18, 2026 · 15 min read

Final rating

44 /100

Rating B

Par value	Coupon	Outstanding	Holders	Maturity	DEX volume, 30 days
€1 per token	4% + 60% of profit	2.67M BB1	1,442 addresses	Jun 30, 2029	$200

A legally clean bond with a BaFin prospectus but weak credit: the holder ranks behind every creditor of the issuer at two levels

BaFin-approved prospectus, a direct claim under German law, an ISIN, zero fees and a plain Stellar asset with no custom code.

Double subordination, issue proceeds lent unsecured to a loss-making parent with zero equity (2020), no secondary market, payouts in XLM.

1. Token passport

Field	Value	Source
Name	Bitbond Token, ticker BB1	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation)
Issuer	Bitbond Finance GmbH, Berlin, HRB 198270 B, LEI 529900WAPIPFMIJLDV38, 100% subsidiary of Bitbond GmbH	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation), GLEIF / Bloomberg LEI 529900WAPIPFMIJLDV38
Operator and licence	Bitbond GmbH (platform, management). Licence under § 32 KWG returned upon change of business model. The issuer is not licensed	Private Banking Magazin, Implisense, Bitbond Finance GmbH
Underlying asset	Monetary claim against the issuer. Issuer's assets: remaining SME loans and a subordinated loan to Bitbond GmbH	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation), Bitbond, State of the Union 2020
Legal nature	Unsecured qualified subordinated tokenized bond, German law, without a certificate or custodian	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation)
ISIN / WKN	DE000A2TR7Q2 / A2TR7Q	Bitbond, State of the Union 2020
Network	Stellar, native asset, SAC standard	rwa.xyz, BB1 card (Nov 17, 2026)
Contract address / issuer account	not disclosed	-
Launch	Prospectus Jan 30, 2019, subscription Mar 11–Jul 8, 2019, issue date Jul 1, 2019	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation), Crowdfund Insider, Jul 2019
Term and redemption	Until Jun 30, 2029, redemption at €1 per token, annual issuer call from Dec 31, 2021	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation)
Coupon	4% per annum fixed (quarterly) plus variable: 60% of the issuer's pre-tax profit, annually	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation)
Payment currency	Calculated in EUR, paid in XLM	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation)
Nominal / NAV	€1 per token. rwa.xyz: NAV $1.10, total value $2.94M	rwa.xyz, BB1 card (Nov 17, 2026)
Tokens in circulation	2,668,351.59	rwa.xyz, BB1 card (Nov 17, 2026)
Paid to holders (estimate)	About €773,822: 29 quarterly coupons of 1% of nominal from Oct 1, 2019 to Oct 1, 2026 on 2,668,351.59 tokens. Calculated under the terms of issue, excluding the variable coupon. The issuer does not publicly confirm actual payments, except the first one	Bitbond Finance GmbH prospectus dated Jan 30, 2019 (EN translation), rwa.xyz, BB1 card (Nov 17, 2026)

Field	Value	Source
Raised	More than €2.1M, more than 2.6 million tokens to more than 1,200 investors	Crowdfund Insider, Jul 2019, Bitbond, State of the Union 2020
Minimum subscription	not disclosed	-
Investor eligibility	Public offering, including retail, excluding US and Canadian citizens	Bitbond blog, 2019
Secondary market	Stellar DEX, 30-day volume $200.37	rwa.xyz, BB1 card (Nov 17, 2026)
Code audit	Not applicable, no proprietary code	-
Conflicts and discrepancies	rwa.xyz lists Bitbond GmbH with LEI 967600K8K7JPO35UFG92 as the legal issuer, which conflicts with the prospectus. On CoinMarketCap, BB1 is shown as a preview page for the Bitbond STO with zero circulation	rwa.xyz, BB1 card (Nov 17, 2026), CoinMarketCap

2. Verdict and red flags

Field	Value
In one sentence	BB1 is a legally clean bond with a BaFin-approved prospectus, but credit-weak: the holder ranks behind all of the issuer's creditors, while the issuer holds a subordinated loan to a parent company with zero equity as of the last disclosed date.
Score / grade	44/100, B
Tokenization type	Tokenized subordinated corporate debt
Main advantage	Germany's first security token prospectus approved by BaFin: a direct claim under German law, ISIN, zero fees
Main disadvantage	Double subordination and concentration on a single loss-making related party with no secondary market
What would change the assessment	Fresh audited financial statements for Bitbond Finance and Bitbond GmbH, confirmation of 2024–2026 coupons, collateral for the parent company loan, listing on an MTF

Red flags

Flag	Consequence	Status
Transfers to the SPV are contested by the issuer	Cap C	Not applicable: there is no SPV
No enforceable claim	Cap C	Not triggered: a claim exists but is limited by subordination
NAV set by the operator without independent valuation	Cap C	Not applicable: NAV equals the bond's par value, accounted for in block 6
SPV or underlying shares not disclosed	Cap B	Not applicable
Discrepancy in fee disclosure	-5 points	Not triggered
Sanctions	No rating	Not identified
Double subordination: bond and parent company loan	Accounted for in blocks 3, 4	Triggered
Zero equity of the parent company (2020)	Accounted for in block 10	Triggered
Payouts in XLM instead of EUR	Accounted for in blocks 7, 9	Triggered
Discrepancy in aggregator data on the issuer	No penalty	Informational

For investors in the UAE, a BaFin prospectus is a strong starting document but not a local permission. A German security token sold under the EU Prospectus Regulation is not passported into the UAE: VARA in Dubai and the FSRA in ADGM treat a token that carries a debt claim as a regulated investment, and they will ask who distributes it locally, how the holder ranks and what happens to payments if the issuer's solvency is under pressure.

3. Legal nature and holder rights

BB1 is not a wrapper over someone else's asset but the bond itself: the token on Stellar is the sole carrier of the claim under the unsecured bond of Bitbond Finance GmbH governed by German law. There is no certificate and no depositary; the bond is transferred only together with the token.

#	Criterion	Finding	Score
1	Legal nature defined by document	Qualified subordinated tokenized bond (qualifiziert nachrangige tokenbasierte Schuldverschreibung), prospectus approved by BaFin in January 2019, ISIN DE000A2TR7Q2	3
2	Direct claim of the holder against the issuer	The claim is direct, without SPVs or trusts, but its enforceability is limited: payments are blocked if they would cause the issuer's insolvency (§ 17 InsO) or over-indebtedness (§ 19 InsO)	1
3	Rank of claim and collateral	Subordination behind all non-subordinated creditors (§ 39 InsO). There is no collateral; payments are possible only out of annual profit, liquidation surplus or free assets	0
4	Link between token and right	The bond is transferred only together with the BB1 token, partial transfer is prohibited. The issue was made before the eWpG act (2021), i.e. it is not a crypto security in the eWpG register	2
5	Holder meetings and amendment of terms (SchVG)	Not disclosed in the part of the prospectus used	1.5
6	Investor's right to early redemption	There is no ordinary termination right, only extraordinary termination for good cause. The issuer has an annual call at par from Dec 31, 2021	1

Block conclusion

Score: 8.5. Risk: high. Legally the issue is clean and transparent, but the qualified subordination turns the bond into an instrument close to equity: the holder cannot compel payment if it threatens the issuer's solvency.

Sources: Bitbond Finance GmbH prospectus dated January 30, 2019 (EN translation), Crowdfund Insider, July 2019

4. Ownership chain and custody

Chain: investor → BB1 token (Stellar) → Bitbond Finance GmbH bond → (a) the remaining portfolio of SME loans issued before 2020, (b) an unsecured qualified subordinated loan to the parent company Bitbond GmbH. Since 2020 no new loans have been issued, and the free proceeds of the issue have been channelled to Bitbond GmbH as working capital financing.

#	Criterion	Finding	Score
1	Issuer identified	Bitbond Finance GmbH, HRB 198270 B (Berlin-Charlottenburg), LEI 529900WAPIPFMIJLDV38, a 100% subsidiary of Bitbond GmbH	3
2	Transparency of the assets behind the bond	The structure is known from the prospectus and the 2020 letter, but there is no up-to-date breakdown (remaining SME loans, size of the parent company loan) in public sources. At the end of 2020 the loan to Bitbond GmbH amounted to €1,225,000	1
3	Related-party concentration	The issuer's main asset is an unsecured subordinated loan to the parent company, which as of December 31, 2020 had zero equity and an uncovered deficit of €365,767.69	0
4	Segregation and bankruptcy remoteness	There is no SPV. rwa.xyz notes account segregation but not bankruptcy remoteness; the source of the note is not specified	1
5	Token custody	Self-custody in a Stellar wallet, keys held by the investor. Loss of the key means loss of the tokens and of the bond; no recovery procedure is described in the prospectus	1
6	Register of holders	The issuer maintains a register of Stellar addresses and pays to the address in the register as of the payment date	2

Block conclusion

Score: 8.0. Risk: high. A BB1 holder effectively lends to Bitbond GmbH through a subsidiary, and ranks last in line at two levels.

Sources: Bitbond Finance GmbH prospectus dated January 30, 2019 (EN translation), Bitbond, State of the Union 2020, Bitbond GmbH, Jahresabschluss 2020 (Bundesanzeiger), GLEIF / Bloomberg LEI 529900WAPIPFMIJLDV38

5. Regulation and investor eligibility

The issue went through a full prospectus under the EU Prospectus Regulation; this is the first security token prospectus approved by BaFin in Germany. There is no prudential supervision of the issuer itself: Bitbond Finance's articles of association expressly exclude activities requiring a licence.

#	Criterion	Finding	Score
1	Prospectus approved by a regulator	Approved by BaFin in January 2019, prospectus dated Jan 30, 2019	3
2	Ongoing supervision of the issuer and operator	The issuer is not licensed. Bitbond GmbH returned its § 32 KWG licence when it changed its business model. Current supervision is limited to the prospectus regime	1
3	Investor eligibility	Public offering, including retail investors, except US and Canadian citizens	2
4	Secondary trading	The token is transferable without restrictions, trading only on the Stellar DEX, outside a regulated venue (MTF). Listings on two exchanges and cooperation with GSX announced in 2019 are not confirmed	1
5	Sanctions and enforcement	No regulatory actions against the issuer were found in open sources	2

Block conclusion

Score: 9.0. Risk: medium. A strong initial regulatory position (BaFin prospectus) with no follow-through: the issuer is not under supervision, and the secondary market is outside regulated infrastructure.

Sources: Bitbond Finance GmbH prospectus dated January 30, 2019 (EN translation), Private Banking Magazin, Implisense, Bitbond Finance GmbH, Crowdfund Insider, CryptoGlobe Jul 4, 2019

6. NAV assessment and issuance reconciliation

For the bond, NAV means a face value of €1 per token. rwa.xyz shows a NAV of $1.10 and a total value of $2.94 million: this is the face value converted into dollars, not a market assessment of credit risk.

#	Criterion	Finding	Score
1	Valuation method	Face value €1, without accounting for credit risk and subordination. No independent valuation	1
2	Issuance reconciliation	2,668,351.59 tokens per rwa.xyz; according to Bitbond, more than 2.6 million BB1 were issued at closing to more than 1,200 investors. No discrepancies visible	2
3	Audited issuer financials	Prospectus financials audited by Baker Tilly Loco (unqualified opinion). Whether financials after 2019 have been audited is not disclosed, although the variable coupon is calculated on audited financials	1.5
4	Asset coverage of liabilities	Bitbond Finance balance sheet for 2023: about €2.5M (Implisense) against a face value of €2.67M. Tokens were sold at discounts of up to 30% and with partner commissions of up to 5%, so assets have been below the face value of liabilities from day one	1
5	Timeliness of disclosure	No investor reports found after 2020. The latest available full financial statements of the parent company: 2020	1
6	Market price deviation from NAV	There is no market price; assessed in block 8	-

Block conclusion

Score: 6.5. Risk: high. The face value is not backed by recent verifiable financial statements, and indirect data (the 2023 balance sheet, placement discounts) point to the issuer's assets under-covering the face value.

Sources: rwa.xyz, BB1 card (Nov 17, 2026), Bitbond Finance GmbH Prospectus dated January 30, 2019 (EN translation), Bitbond, State of the Union 2020, Implisense, Bitbond Finance GmbH

7. Fees and net yield

There are no direct fees for the holder. Costs sit in the issue structure and in the payment method: coupons and redemption are calculated in euros but transferred in XLM at the cryptocompare.com rate at 12:00 CET.

#	Criterion	Finding	Score
1	Direct fees for the holder	Management fee 0%, performance fee 0%, subscription and redemption 0%	3
2	Issue costs	At full placement of €100M the prospectus estimated costs at €5,609,785, including up to €5M in partner remuneration (5% of the subscription). Early-stage discounts from 3% to 30% to par	1
3	Payment currency	Payments in XLM: conversion into euros, spread and volatility between crediting and sale are borne by the holder	1
4	Expenses for the parent company	A management agreement (Geschäftsbesorgungsvertrag) and a pre-financing agreement with Bitbond GmbH are mentioned in the prospectus; the terms are not disclosed in the part used	1.5
5	Variable coupon	60% of the issuer's pre-tax profit. No confirmation of even a single payment was found; the parent company was loss-making as of 2020	1
6	Confirmation of current fixed-coupon payments	The first coupon was paid on Oct 1, 2019 on time. Payments for 2024–2026 are not publicly confirmed	1.5

Payments on the issue and an example on €100,000 of par

Scenario	Received and receivable	Multiple
Entire issue (2,668,351.59 tokens), paid from Oct 2019 to Oct 2026 under the terms	29 coupons × €26,683.52 = about €773,822	0.29x of par
Entire issue, full term to 2029 under the terms	40 coupons (about €1,067,341) + par €2,668,352	1.4x of par
Purchase in stage 1 at €0.70 (€70,000 invested), all payments through 2029	€40,000 in coupons + €100,000 of par = €140,000	2.0x
Purchase at €1.00 (€100,000 invested), all payments through 2029	€140,000	1.4x
Remainder from Nov 17, 2026: 11 quarterly coupons from January 2027 to July 2029	€11,000 + €100,000 = €111,000	1.11x of par
Same, with the variable coupon unpaid and 1% lost on XLM conversion	About €110,890	1.11x
Blocking of payments in case of a threat of insolvency	Payments are deferred without a default event	not determined

Calculation excluding taxes, the XLM rate and the time value of money. The variable coupon is not included, since its payments are not confirmed.

Block conclusion

Score: 9.0. Risk: medium. The zero fees are real, but the target 8% (4% fixed plus a share of profit) in practice comes down to 4% in XLM if the variable coupon is not paid.

Sources: Bitbond Finance GmbH prospectus dated January 30, 2019 (EN translation), rwa.xyz, BB1 card (Nov 17, 2026), Crowdfund Insider, July 2019, Bitbond blog «The benefits of bonds»

8. Liquidity, exit and redemption

There are three ways out of BB1: redemption in July 2029, an issuer call, or a sale on the Stellar DEX. The first two depend on the issuer, the third barely works.

#	Criterion	Finding	Score
1	Redemption at par on schedule	First business day after June 30, 2029 at €1 per token, but with a carve-out blocking payments if insolvency is threatened	2
2	Early exit at the investor's initiative	No put right, no redemption windows	0
3	Secondary market depth	Over 30 days, 2,054 transfers with a volume of $200.37 (rwa.xyz): there are transfers, but no market	0
4	Listing on a regulated venue	Announced in 2019, not implemented according to public data	1
5	Holder concentration	1,442 addresses, 83 active over 30 days. Distribution across addresses not disclosed	1.5
6	Issuer call option	Annually from December 31, 2021 at par with 3 months' notice: the investor bears the reinvestment risk, while the benefit of the call stays with the issuer	1

Stress scenario

If Bitbond GmbH cannot service the loan, all that remains with Bitbond Finance is the portfolio of old SME loans. Qualified subordination allows the issuer to withhold coupons and principal without triggering a formal default, as long as payment would threaten its solvency. The holder meanwhile cannot sell the position: there is no secondary market. In this scenario the 2029 maturity shifts out indefinitely.

Block conclusion

Score: 5.5. Risk: high. Until 2029 the position is effectively illiquid, and the 2029 date itself is not firm because of qualified subordination.

Sources: rwa.xyz, BB1 card (Nov 17, 2026), Bitbond Finance GmbH Prospectus dated January 30, 2019 (EN translation), CryptoGlobe Jul 4, 2019

9. Smart contract and technical rights

BB1 is issued as a native Stellar asset, with no custom code. rwa.xyz shows the Stellar Asset Contract (SAC) standard, i.e. a Soroban wrapper over a classic asset.

#	Criterion	Finding	Score
1	Standard and complexity	Native Stellar asset plus SAC, minimal attack surface	2
2	Issuer flags (auth required, revocable, clawback)	Not disclosed in the sources used	1.5
3	Code audit	No custom code, criterion not applicable	-
4	External dependencies	Payouts in XLM at the cryptocompare.com rate: dependency on the Stellar network, the XLM price and an external price source	1
5	Incidents	No incidents found in public sources	2
6	Token recovery	No procedure described for replacing tokens in the event of key loss	1

Block conclusion

Score: 7.5. Risk: low. Technical risk is low; the main technical dependency relates not to the code but to the payouts in XLM.

Sources: rwa.xyz, BB1 card (Nov 17, 2026), Bitbond Finance GmbH Prospectus dated January 30, 2019 (EN translation)

10. Underlying asset: issuer creditworthiness

The underlying asset of BB1 is Bitbond Finance's ability to pay, which depends on Bitbond GmbH, which since 2020 has been building a tokenization technology business instead of SME lending.

#	Criterion	Finding	Score
1	Business model of the payment source	SME lending wound down in 2020. Source of payments: interest on the loan to the parent company, which sells tokenization technology	1
2	Financial condition of the parent company	Dec 31, 2020: equity 0, uncovered deficit €365,767.69, net loss €372,390.78, accumulated loss €4,930,813.21. No more recent financial statements found in the public domain	0
3	Team size	An average of 5 employees in 2020, 17 in May 2026 (Caplight)	1
4	External funding of the group	Estimates of capital raised differ across databases, no recent rounds found	1.5
5	Credit rating	Neither the issue nor the issuer has a rating	1
6	Track record of meeting obligations	First coupon paid on time in 2019, no reports of default found over 7 years	2

Bitbond GmbH, 2020 financial statements

Indicator, EUR	Dec 31, 2020	Dec 31, 2019
Balance sheet total	1,342,586.43	802,848.89
Equity	0.00	6,623.09
Uncovered capital deficit	365,767.69	0.00
Net loss for the year	372,390.78	-
Accumulated loss	4,930,813.21	-
Bitbond Finance loan (qualified subordination)	1,225,000.00	600,000.00*
Cash	131,648.57	422,169.92
Average number of employees	5	-

** Liabilities with a maturity of more than one year as of December 31, 2019, with no disclosure of the counterparty. Management states that hidden reserves are sufficient to eliminate balance sheet over-indebtedness, and that the business plan assumes initial losses and slow profit growth. Bitbond claims more than $1.2 billion in tokenized assets and more than 7,000 tokens issued via its platform: these are marketing figures, unaudited and unconnected to revenues.*

Block conclusion

Score: 6.5. Risk: high. Credit quality is determined by a small technology company with negative balance sheet equity as of the last disclosed date. There is no confirmation of improvement in public data.

Sources: Bitbond GmbH, Jahresabschluss 2020 (Bundesanzeiger), Bitbond, State of the Union 2020, bitbond.com/company, Caplight, Bitbond profile

11. Scoring and risk matrix

Block	Score	Risk
3. Legal nature	7.08	high
4. Ownership chain	4.44	high
5. Regulation	3.00	medium
6. NAV and reconciliation	6.50	high
7. Fees	10.00	medium
8. Liquidity	4.58	high
9. Smart contract	2.50	low
10. Underlying asset	5.42	high
Total	43.53 → 44	Grade B

No penalties or caps were applied: not a single flag with a cap was triggered. The total of 43.53 is rounded up to 44, which corresponds to grade B (40–49).

Risk matrix

Risk	Probability	Impact	What mitigates it	Block
Non-repayment of the loan by the parent company	medium	high	Loan collateral, up-to-date audited Bitbond GmbH financial statements	4, 10
Blocking of payouts due to subordination	medium	high	No mitigation mechanism other than improving the issuer's capital	3
No exit before 2029	high	medium	MTF listing, buyback programme	8
Losses on XLM conversion	high	low	Payouts in a EUR stablecoin or to a bank account	7, 9
Call at par upon credit improvement	low	low	Call with a premium	8
Loss of the key by the holder	medium	high	Token recovery procedure through the issuer's register	4, 9

What this means for UAE investors and issuers

A prospectus discloses risk; it does not remove it. BB1's paperwork is the cleanest part of the structure, yet the score is driven by credit: double

subordination and an unsecured loan to a loss-making parent. Issuers preparing a debt token under VARA or ADGM rules should expect the regulator to look through the wrapper to where the proceeds actually go.

Subordination has to be priced and stated. A clause that lets the issuer suspend payments without a default event reads, for a UAE professional client, as equity risk. If proceeds go to a related party, that loan should be secured or its rank disclosed in the term sheet.

Pay in the currency of the claim and build the exit. A euro bond paid in XLM shifts currency risk to holders, and a DEX pair with $200 of monthly volume is not a market. Fiat or regulated stablecoin payouts and a licensed secondary venue are what a regional regulator and investor will expect.

12. Questions for the issuer, limitations and sources

Questions for the issuer

- What is the balance of the Bitbond Finance loan to its parent company Bitbond GmbH as of the latest reporting date, and what are its terms (rate, maturity, rank)?
- What is the SME loan portfolio balance and the share of overdue loans?
- Are Bitbond Finance's financial statements audited after 2019, and by whom?
- Has the variable coupon been paid for at least one year, and in what amount?
- Have all fixed coupons for 2024–2026 been paid on time?
- What is Bitbond GmbH's equity as of December 31, 2024 and December 31, 2025?
- Which flags are set on the issuer's Stellar account (auth required, revocable, clawback), and is there a procedure for replacing tokens if a key is lost?
- Are holder meetings under SchVG provided for, and how are they convened?
- Is there a plan to transfer the issue into the eWpG register or to list it on a regulated venue?
- Is the issuer considering a call or a buyback before 2029?

Right of reply

The issuer may send responses and documents to hello@8blocks.io. Confirmed data will be taken into account in a re-assessment; criteria with the status "not disclosed" will be recalculated based on the facts.

Method limitations

- Full financial statements of Bitbond Finance and Bitbond GmbH after 2020 are not available in public sources; aggregators are used.
- The issuer's Stellar account and the distribution of holders were not analysed directly.
- There is no market price series, so no price analysis was carried out.

Sources

- rwa.xyz, Bitbond BB1: https://app.rwa.xyz/assets/BB1
- Bitbond Finance GmbH prospectus (EN): https://www.bitbondsto.com/files/bitbond-sto-prospectus.pdf
- Bitbond Finance GmbH prospectus (DE): https://www.bitbondsto.com/files/bitbond-sto-prospectus-de.pdf
- Bitbond, State of the Union 2020: https://www.bitbond.com/resources/bitbonds-state-of-the-union-2020
- Bitbond GmbH, Jahresabschluss 2020: https://uploads4.craft.co/uploads/unified_record/source/document/2079203/b87a00b6e472e9d9.pdf

- Crowdfund Insider: BB1 becomes tradable: https://www.crowdfundinsider.com/2019/07/149898-bitbond-regulated-security-token-bb1-becomes-tradable/
- Crowdfund Insider: first coupon on chain: https://www.crowdfundinsider.com/2019/10/152290-sto-bitbond-issues-first-bond-coupon-payment-on-chain/
- CryptoGlobe: BB1 receives ISIN: https://www.cryptoglobe.com/latest/2019/07/the-bitbond-token-bb1-receives-isin-shortly-before-the-end-of-the-offer-period/
- LEI Bitbond Finance GmbH: https://lei.bloomberg.com/leis/view/529900WAPIPFMIJLDV38
- Implisense: Bitbond Finance GmbH: https://app.implisense.com/en/companies/bitbond-finance-gmbh-berlin--DE7LRWQMF951
- Private Banking Magazin: Bitbond gibt KWG-32-Lizenz zurück: https://www.private-banking-magazin.de/neues-geschaeftsmodell-bitbond-gibt-kwg-32-lizenz-zurueck/
- Bitbond, about the company: https://bitbond.com/company
- Caplight: Bitbond: https://www.caplight.com/company/bitbond

Final audit conclusion

Final assessment

44/100, grade B. Tokenized subordinated corporate debt. BB1 fulfilled its historic role (the first security token prospectus in Germany), but as an investment it is subordinated debt of a small technology company with no secondary market, no recent verifiable financial statements, and payouts in XLM.

Block	Risk	Key conclusion
3. Legal nature	high	Legally the issue is clean and transparent, but the qualified subordination turns the bond into an instrument close to equity: the holder cannot enforce payment if it threatens the issuer's solvency.
4. Ownership chain	high	A BB1 holder effectively lends to Bitbond GmbH through a subsidiary, and stands last in line at two levels.
5. Regulation	medium	A strong initial regulatory position (BaFin prospectus) with no follow-through: the issuer is not supervised, and the secondary market sits outside regulated infrastructure.
6. NAV and reconciliation	high	The face value is not backed by recent verifiable financial statements, while indirect data (the 2023 balance sheet, discounts at placement) point to the issuer's assets under-covering the face value.
7. Fees	medium	The zero fees are real, but the target 8% (4% fixed plus a profit share) in practice comes down to 4% in XLM if the variable coupon is not paid.
8. Liquidity	high	Until 2029 the position is effectively illiquid, and the 2029 date itself is not firm because of the qualified subordination.
9. Smart contract	low	Technical risk is low; the main technical dependency relates not to the code but to payouts in XLM.
10. Underlying asset	high	Credit quality is determined by a small technology company with negative book equity as of the last disclosed date. There is no confirmation of improvement in public data.

Strengths

- Prospectus approved by BaFin, ISIN, German law
- Zero fees for the holder
- Simple technical implementation on Stellar with no proprietary code
- First coupon paid on time, no reports of default

Key risks

- Qualified subordination with payment blocking
- Issue proceeds lent to the parent company as an unsecured loan with zero equity (2020)
- No secondary market and no put right
- No recent verifiable financial statements and no confirmation of the variable coupon
- Payouts in XLM

Who it suits and who it does not

Suitable for: a holder who already owns BB1 and is assessing whether to hold the position through 2029, as well as researchers of the history of security tokens in the EU.

Not suitable for: an investor who needs liquid euro income, capital protection, or a clear exit before maturity.

What would raise the score

- Publication of audited financial statements of Bitbond Finance and Bitbond GmbH for 2024–2025 (up to +4 points on blocks 6 and 10)
- Securing the loan to the parent company or removing the subordination (up to +5 on blocks 3 and 4)
- Listing on a regulated venue and a market maker (up to +4 on block 8)
- Payouts in EUR instead of XLM (up to +2 on block 7)

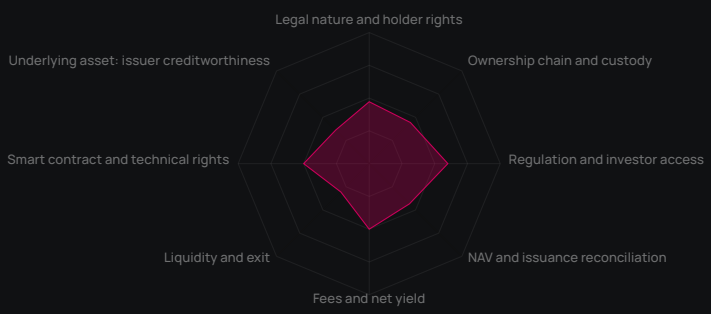
Re-assessment triggers

- Issuer call or buyback announcement
- Missed or delayed coupon
- Publication of new financial statements
- Change in the status of Bitbond GmbH (funding round, sale, insolvency)
- Redemption on Jun 30, 2029

This audit is not investment, legal, or tax advice. The assessment is based on public sources as of November 17, 2026 and may change if new data is disclosed.

Final rating

Block profile



Breakdown (0–100)

Legal nature and holder rights	47.2
Ownership chain and custody	44.4
Regulation and investor access	60
NAV and issuance reconciliation	43.4
Fees and net yield	50
Liquidity and exit	30.6
Smart contract and technical rights	50
Underlying asset: issuer creditworthiness	36.2

Summary

BB1 is Germany's first token bond with a BaFin prospectus, but holders rank last at two levels: issue proceeds went as a loan to a loss-making parent, payouts come in XLM and there is no market. Final score 44 out of 100, grade B.

This audit is not investment advice. Use it as part of your own analysis.

Final rating

44 /100

Rating B

Lead expert
Toni Efren in
Co-founder, 8Blocks

Block	Weight	Score (0–5)	Score (0–100)	Contribution
Legal nature and holder rights	15%	2.36	47.2	7.1
Ownership chain and custody	10%	2.22	44.4	4.4
Regulation and investor access	5%	3	60	3
NAV and issuance reconciliation	15%	2.17	43.4	6.5
Fees and net yield	20%	2.5	50	10
Liquidity and exit	15%	1.53	30.6	4.6
Smart contract and technical rights	5%	2.5	50	2.5
Underlying asset: issuer creditworthiness	15%	1.81	36.2	5.4
Total	100%	2.2	44	43.5