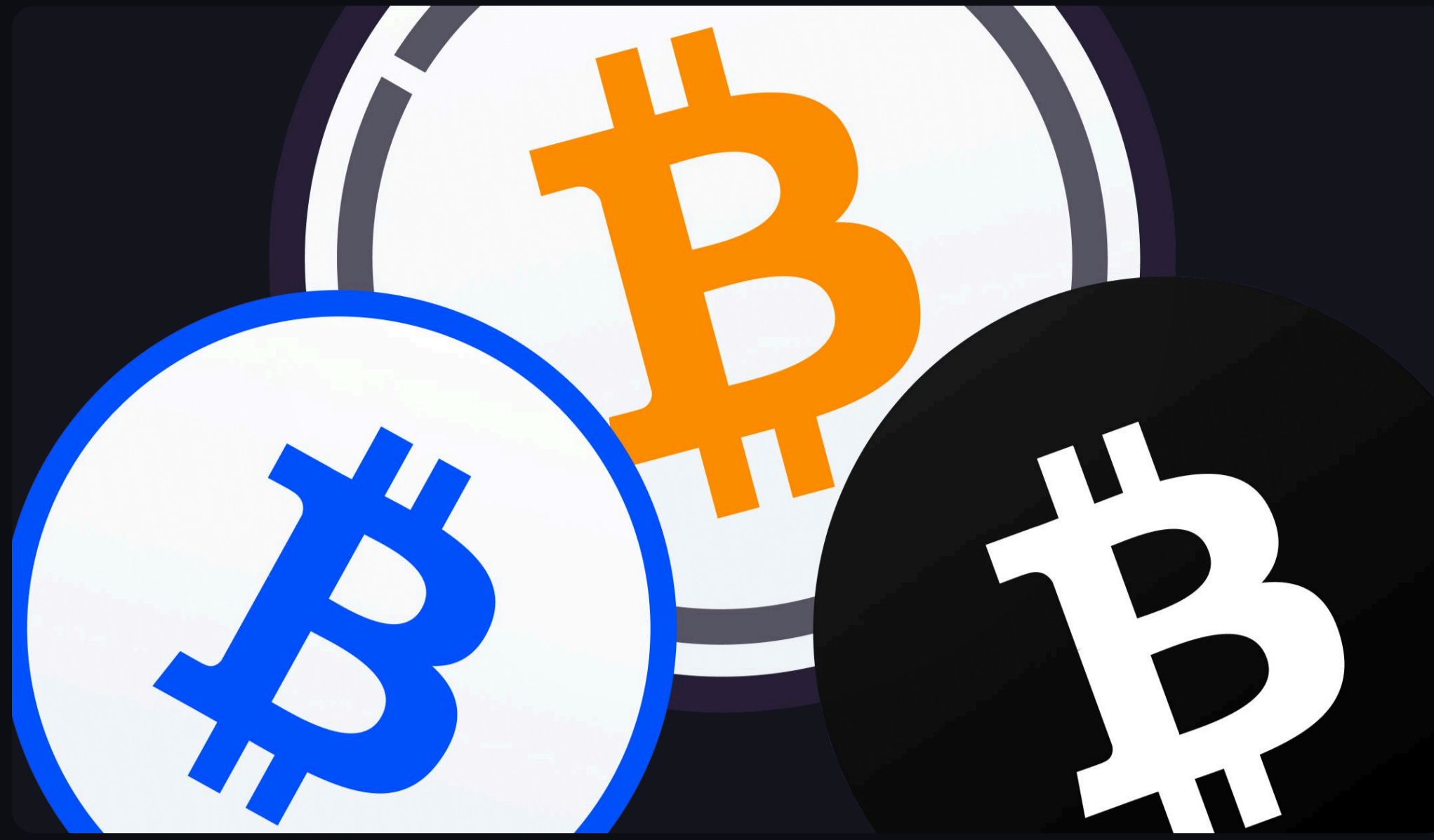


Wrapped Bitcoin: cbBTC, WBTC, xBTC

Date: April 30, 2026



Executive Summary

cbBTC, WBTC, and xBTC are three distinct wrapped representations of Bitcoin deployed on Solana, each backed 1:1 by BTC held in custody and each enabling Bitcoin holders to participate in Solana DeFi without selling their underlying position. The wrapped BTC market across all chains reached an all-time high of approximately \$35B in September 2025 before settling to roughly \$25B, reflecting the substantial and growing demand for Bitcoin in DeFi.

The three assets differ primarily in their custody model and the trust assumptions users make. cbBTC is custodied by Coinbase, a NASDAQ-listed, SEC-regulated entity with institutional-grade infrastructure. WBTC's custody transferred to a joint arrangement between BitGo and BitGlobal in 2024. xBTC is OKX's 1:1 BTC-backed wrapped token, launched May 2025 on Solana, with custody maintained directly by OKX exchange and a live proof-of-reserves system.

All three are non-yield-bearing. They track BTC price with no accrual mechanism. Their risk profile is therefore similar to holding BTC directly, layered with custody and bridge risk specific to each wrapper.

Recommendation: All three approved for listing. cbBTC receives the highest borrow cap reflecting its dominant Solana liquidity position and Coinbase's institutional custody standing. WBTC receives a reduced cap due to its shallow liquidity. xBTC receives a conservative initial cap reflecting its newer vintage on Solana.

Protocol Overview

Attribute	cbBTC	WBTC	xBTC
Asset Type	Wrapped BTC (non-yield-bearing)	Wrapped BTC (non-yield-bearing)	Wrapped BTC (non-yield-bearing)
Issuer / Custodian	Coinbase (NASDAQ: COIN)	BitGo + BitGlobal (Justin Sun affiliation)	OKX Exchange
Blockchain	Solana (SPL) + Ethereum	Solana (SPL via Wormhole) + Ethereum	Solana (SPL)
Launch Date (Solana)	2024	Pre-2024 (bridged)	May 22, 2025
Backing	1:1 BTC, Coinbase custody	1:1 BTC, BitGo/BitGlobal custody	1:1 BTC, OKX cold storage
Proof of Reserves	Real-time on Coinbase platform	Publicly disclosed	Live proof-of-reserves system
Minting / Redemption	Via Coinbase exchange	Via BitGo minting portal	Via OKX exchange account
DEX Liquidity on Solana	\$6M slippage-free swap (cbBTC/USD)	\$2M slippage-free swap (wbBTC/USD)	\$500K slippage-free swap (xBTC/USD)

Risk Analysis

A. Custody Risk

This is the primary differentiating risk factor across the three assets.

cbBTC

Coinbase is a NASDAQ-listed, SEC-regulated entity subject to US securities law, public financial disclosures, and institutional custody standards. BTC backing cbBTC is held in Coinbase's cold storage infrastructure. The risk of Coinbase misappropriating or losing custodied BTC is lower than any other wrapped BTC issuer currently operating, given the regulatory and reputational constraints on a public company. The main tail risk is Coinbase insolvency, which would require customers to recover BTC through legal process rather than instant redemption — analogous to the risk of any custodied asset. Coinbase's current financial health and regulatory standing make this scenario remote.

WBTC

Custodied by BitGo, one of the longest-established qualified custodians in crypto with SOC 2 certification and a regulated trust company structure. The custody model is well-understood and has operated without incident across multiple market cycles. The primary risk is standard custodial counterparty risk — in a BitGo insolvency, WBTC holders would be creditors.

xBTC

OKX is one of the largest centralized exchanges globally by volume. xBTC was launched in May 2025 and is included in OKX's proof-of-reserves system, with real-time verification available. The custody is OKX cold storage, which is well-regarded but carries exchange concentration risk in a hypothetical OKX insolvency, xBTC holders would be creditors to the exchange. xBTC on Solana is relatively new, with limited historical data on how it behaves under stress and limited DEX liquidity depth as of April 2026.

B. Bridge / Issuance Risk

cbBTC is natively issued by Coinbase on Solana no bridge is involved in the canonical minting process. Redemption goes directly through Coinbase.

WBTC on Solana is accessed primarily via the Wormhole bridge from Ethereum, introducing an additional smart contract layer compared to native issuance. Wormhole has been exploited historically (the February 2022 \$320M Wormhole exploit is the most significant DeFi bridge hack to date) though the protocol has since significantly upgraded its security. The bridging layer is a residual risk not present in natively-issued alternatives.

xBTC is natively issued on Solana by OKX no bridge is needed for Solana-native users. LayerZero is used for cross-chain bridging between Solana and other networks, adding a bridge layer for users coming from other chains.

C. Market / Peg Risk

All three tokens are designed to trade at 1:1 parity with BTC. Minor deviations occur from liquidity imbalances but are quickly arbitrated via the mint/burn mechanism. A sustained depeg would only occur if: the custodian is unable to honor redemptions (custody failure), the bridge between chains fails, or market makers lose confidence in the backing (reputation risk). None of these scenarios have materialized for any of the three tokens to date, and arbitrage mechanisms have maintained tight pegs across normal and stressed market conditions.

D. Regulatory Risk

Wrapped BTC tokens exist in a regulatory environment that is evolving rapidly. The CFTC launched a pilot program in December 2025 allowing BTC to be used as collateral in US derivatives markets a positive signal for regulatory acceptance of the asset class. None of the three issuers are primarily US-regulated entities for the purpose of the wrapped token product (Coinbase's custody subsidiary falls under state trust law), reducing SEC enforcement risk at the token level. Regulatory risk is rated low-medium for cbBTC, medium for WBTC given the custody controversy, and medium for xBTC given OKX's ongoing regulatory navigation globally.

Integration Parameters

Parameter	cbBTC	WBTC	xBTC
LTV Ratio	85%	77%	77%
Liquidation Threshold	90%	82%	82%
Liquidation Penalty	1%	1%	1%
Max Borrow Cap	\$40M	\$30M	\$15M
Oracle	Pyth BTC/USD	Pyth wbBTC/USD	Pyth BTC/USD

cbBTC and xBTC use the BTC/USD feed users can obtain and redeem the underlying BTC directly via Coinbase and OKX respectively, so the canonical BTC price is the correct reference. WBTC uses a wbBTC/USD feed to account for the custodial wrapper premium/discount. Differences in LTV and borrow cap reflect custody risk/liquidity risk. WBTC and xBTC receive lower caps to account for potentially slower exit routes in a stress scenario where liquidity is thin.

Outstanding Conditions & Monitoring

- Monitor xBTC DEX liquidity on Solana monthly. Borrow cap may be increased as liquidity deepens beyond initial incentive-driven bootstrap.
- Track cbBTC Solana pool depth on Orca and Meteora. Notify if depth falls below 3x the outstanding borrow exposure.
- For all three: any deviation in BTC/wrapped token market price exceeding 1.5% for more than two hours should trigger a risk alert.