

KakaoBank Eyes Stablecoin Entry Amid Crypto Shift

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South Korea's KakaoBank has confirmed plans to expand into the stablecoin market, following the country's changing stance on digital assets under newly elected President Lee Jae-myung. The move signals growing momentum among traditional financial institutions to explore blockchain-based finance.

During KakaoBank's first-half 2025 earnings call, chief financial officer Kwon Tae-hoon stated that the bank is "reviewing various methods such as issuance and custody" of stablecoins, to "actively participate" in the digital asset sector. The remarks, reported by ZDNet Korea, underline the bank's intentions to play a significant role in South Korea's evolving crypto landscape.

Kakao's push into stablecoins is being led by a newly formed Stablecoin Task Force that includes senior figures from the broader Kakao Group, including its payments arm, KakaoPay. The company has already filed stablecoin-related trademarks, alongside rival Kookmin Bank, as both firms prepare for the expected legalisation of stablecoins in South Korea.

Kwon added that KakaoBank has a track record in the digital asset space, having worked on wallet development, exchange functions, and pilot programmes for the Bank of Korea's central bank digital currency. He also highlighted the bank's compliance with international standards, including customer verification and anti-money laundering protocols.

With 25.86 million users, roughly half of South Korea's population, KakaoBank is one of the country's largest financial players. As of March 2025, it holds £36.4 billion in assets under management. The broader South Korean market has shown a growing appetite for crypto, with more than 16 million citizens registered on digital currency exchanges.

Despite the announcement, KakaoBank's stock remained relatively flat. While shares had surged earlier in the year following its trademark filings, recent trading showed more modest movement. On Thursday, the share price rose just under 1% to close at 27,150 won (£15.60).

The development comes as global interest in stablecoins accelerates. A recent report by digital asset firm Fireblocks revealed that 90% of institutional investors are considering stablecoin use in their operations. In April, Abu Dhabi institutions partnered to develop a dirham-pegged stablecoin, while Russia has also indicated plans to explore similar tools.

As countries and corporations explore blockchain-based finance, KakaoBank's entry into the stablecoin market could offer a model for how regulated entities approach digital assets under changing legal frameworks.