NORTHSTACK

Íslandsstofa
Business Iceland

Samtök fyrirtækja
í fjármálaþjónustu

Fintech Iceland 2026

An ecosystem review and map

April 2026
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In collaboration with

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Fintech

NORTHSTACK

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Executive Summary

This report maps Iceland's Fintech ecosystem in 2026 and examines what makes the country a productive environment for building, testing, and scaling financial technology. It draws on economic statistics, a survey of Fintech leaders conducted in February 2026, expert interviews, and a systematic review of funding and acquisition activity.

ICELANDIC FINTECH: HEADLINE FIGURES

76	Fintech companies across 10 segments	$530k	Avg annual turnover per employee, 2024
930	Employees in 2024	55%	Export revenue share, 2024
$65M	Aggregate net profit, 2024	#1	Fintech density in the Nordics

ECOSYSTEM AT A GLANCE

Iceland boasts the highest number of Fintech companies per capita in the Nordics. PayTech is the largest segment by company count (25%), followed by Accounting & Payroll (17%), and Credit & Lending and Digital Banking & Infrastructure (12% each). The picture shifts when ranked by equity raised: RegTech and Digital Banking & Infrastructure have attracted the largest share of institutional capital since 2020, reflecting investor conviction that Iceland's most durable opportunities lie in scalable infrastructure and compliance tools.

Notable equity rounds include Lucinity ($23.1M across two rounds), Meniga ($25.9M across two rounds), and indó ($15.5M across two rounds). Acquisitions reflect growing international appetite for proven Icelandic businesses: Rapyd acquired Valitor for $100M (2021), Creditinfo was acquired by LLCP for an estimated $150M (2021), and LS Retail changed hands to international private equity in 2025.

More than half of the sector's aggregate annual revenue comes from **exports**, reflecting the fact that many Icelandic Fintechs have developed global client bases and international partnerships.

WHY ICELAND WORKS FOR FINTECH

Iceland ranks among Europe's leading innovators on multiple indices. It places first among OECD members in combined government tax relief and direct support for business R&D as a percentage of GDP, and the IMF identifies it as one of the most attractive jurisdictions in the bloc for R&D investment. Three specific advantages are mentioned consistently when Iceland's Fintech leaders describe their operating environment.

Test-to-scale market. Iceland offers genuine national-scale pilots in a market small enough to iterate in quickly. EEA membership means products built here largely align with the regulatory architecture used across the EU (PSD2, MiFID II, GDPR) and licensed firms can often passport services across the EEA. Consumer switching rates are the highest in the EU: 48% of Icelanders have changed at least one financial product in the past five years, against a European average of around 25%.

Advanced digital infrastructure. Iceland has operated real-time interbank payment processing since 1985. Its near-universally adopted digital identity system, Auðkenni, reduces the cost and complexity of identity verification for domestic products. Icelandic banks' ratio of IT expenses to other administrative expenses reached 16% in 2022, exceeding both the Nordic average of 11.3% and the EU average of 10.6%. 99% of private customer interactions with Icelandic retail banks now take place via digital channels.

Ecosystem density and regulatory openness. Reykjavík, the capital of Iceland, concentrates banks, investors, regulators, accelerators, and research institutions in a single, high-trust environment where the distance between a Fintech founder and a potential first institutional client is shorter than in almost any peer market. The Central Bank operates a Fintech Helpdesk and chairs the biannual Payments Council, which explicitly includes Fintech companies. Iceland's recent track record of regulatory firsts, including the world's first e-money licence for blockchain-based issuance (Monerium, 2019) and Iceland's first full digital banking licence (indó, 2022) signals a regulator willing to engage with novel business models on their own terms.

WHAT MAKES ICELANDIC FINTECH DISTINCTIVE

A recurring theme among Iceland's most successful Fintech founders is that their companies were built to correct structural problems in how finance works. The 2008 banking collapse, in which all three major Icelandic commercial banks failed within a single week, coincided with the moment when digital technology made it practical to rebuild differently. That legacy shaped a generation of Fintechs in the wake of the crisis, including Meniga and Five Degrees, and continues to inform a later wave of founders building safer, fairer, and more efficient financial services: Lucinity's AI-driven AML platform, Monerium's regulated on-chain euro, indó's transparent retail banking model, Spesía's automated investment management for ordinary savers.

Iceland's small market size presents an efficiency imperative for its traditional financial institutions, creating structural incentives for bank-Fintech collaboration. Íslandsbanki, through its partnership with Payday, offers business customers integrated tools for invoicing, payroll, accounting, and VAT filing. Igloo has partnered with Arion Bank to embed rental guarantees into its leading rental platform, replacing large upfront deposits with a monthly-fee model and giving the bank a commanding market position. Such relationships also generate the institutional proof of concept that international clients and investors look for: Lucinity's first client was Kvika Bank; within two years it had signed its first tier-1 global financial institution.

POSITIVE OUTLOOK

Northstack's February 2026 survey of Fintech leaders found strong majorities expecting to grow revenue, launch new products, and expand into new markets in the next twelve months, alongside pragmatic AI investment focused on internal efficiency as a foundation for future product development. Three areas represent near-term structural opportunities: account-to-account payments, where the Central Bank is actively developing domestic instant payment infrastructure; KYC and AML, where rising European regulatory burden and increasing threats create steady demand for more efficient solutions; and pay equity analytics, where the EU Pay Transparency Directive's transposition deadline of June 2026 activates reporting obligations across thousands of European companies.

A broader question for the ecosystem's next phase is whether the abundant domain expertise and technical capability concentrated in Iceland's traditional banks and insurance companies will lead to more Fintech startup formation in the near future, with venture infrastructure, accelerators, and successful exit experience ready to support them.



1.

Icelandic Fintech at a Glance

1.1 Sector Overview

As of spring 2026, Iceland's Fintech ecosystem comprises 76 Fintech companies operating across ten core segments. The ecosystem also includes more than a dozen payment-enabled platforms whose primary activity is not financial technology, but whose operations depend on payment and financial services integration. Adjusting for population, Iceland has the **highest density of Fintech companies in the Nordics**, attesting to the dynamism of a small but agile and connected ecosystem (Nordic Fintech Report 2025, Fintech Copenhagen).

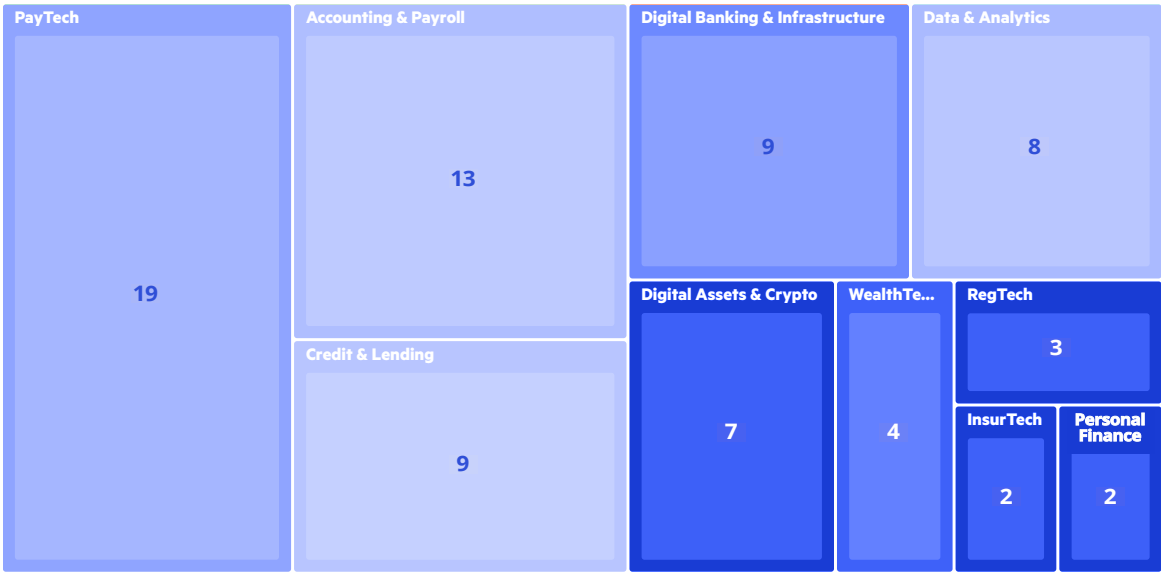


Figure 1: Icelandic Fintech companies by segment

By number of companies, the top Fintech segments in Iceland are:

- **PayTech (25%):** the most populous segment, encompassing domestic payment infrastructure (Greiðslumiðlun Íslands, PAYSTRAX, Hand-point), B2C peer-to-peer payments (Aur, Splitti), digital gift cards (YAY), and Icelandic subsidiaries of global payment orchestration platforms (Rapyd, Teya)
- **Accounting & Payroll (17%):** reflecting a strong tradition of enterprise soft-ware; companies such as LS Retail (acquired from Aptos by Nordic private equity firm Axcel in 2025) and Uniconta serve business customers globally
- **Credit & Lending and Digital Banking & Infrastructure** each account for **12%:**
  - the former segment spans established consumer lenders (Netgíró, Framtíðin) and newer digital-native entrants (NúNú, Kríta),

- while the latter segment boasts core banking infrastructure providers such as Five Degrees Iceland (focusing on loan and securities solutions) and consumer-facing offers by e.g. challenger bank indó.

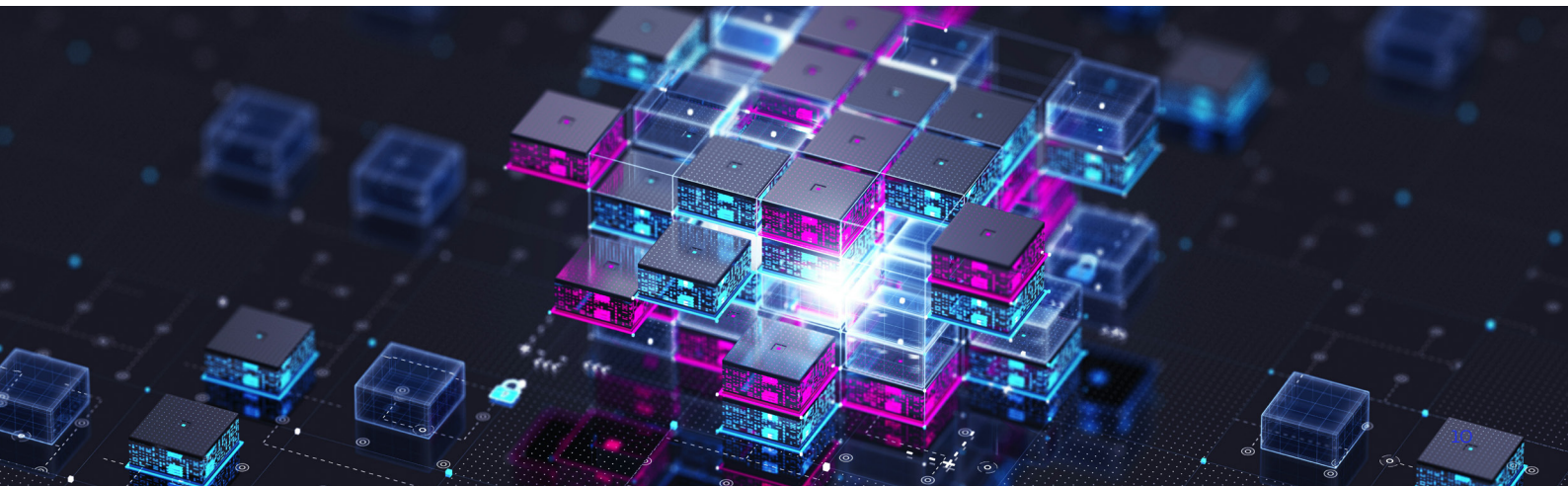
The picture shifts when segments are ranked by funding rather than company count. RegTech and Digital Banking & Infrastructure have attracted the largest share of equity capital since 2020, reflecting a coherent investor thesis that the most valuable Fintech opportunities are in scalable infrastructure and compliance tools. Companies in these segments, including Lucinity and Taktikal (RegTech), indó (Digital Banking & Infrastructure) and Meniga (Digital Banking & Infrastructure / Personal Finance) have all attracted international institutional capital and built global client bases.

Business model:

- **The majority of Icelandic Fintechs are B2B businesses.** Besides traditional B2B offerings from e.g. Creditinfo, Lucinity, and Uniconta, a distinctive model is B2B2C: companies that build (payment) infrastructure other businesses use to serve consumers. Rapyd Europe (formerly Valitor) and Teya Iceland (formerly Borgun) operate at global scale in this model; Handpoint provides card acceptance hardware and software to merchant acquirers worldwide. This architecture, where the Icelandic company is a critical but invisible layer in someone else's consumer product, means that the sector's true international footprint is considerably larger than headline figures suggest.

- **B2C Fintechs** occupy a smaller but growing share. The challenger bank indó, the automated investment platform Spesía, the digital insurance provider Viss, and consumer lenders Netgíró and Framtíðin serve the domestic retail market.

- **Some of the most successful Icelandic Fintechs don't fit neatly into a single business model.** Meniga directly serves end users in Iceland and develops white label solutions embedded into global banking partners' offerings worldwide. Monerium, Iceland's regulated e-money issuer, spans all three models: its on-chain euro is held directly by individual users, integrated by businesses for treasury and payment workflows, and embedded as programmable settlement infrastructure by third-party Fintech and DeFi platforms.



For the most part, B2C and some B2B2C Fintechs have found a durable niche where the Icelandic language, currency, and country-specific regulations create natural protection from international competition and allow successful companies to exist, if not necessarily to grow considerably, serving purely local needs.

Identifying and solving local problems

When the founders of the software company Overcast were looking for a subscription system for their side project GuitarParty, they struggled to find an international provider whose solution could be applied in Iceland – so they decided to design and build it themselves. The resulting solution, named Áskell, quickly became the dominant platform powering subscriptions and recurring payments across the Icelandic market.

1.2 Sector Economic Profile

This section presents aggregate financial indicators for companies identified as "Icelandic Fintech," primarily based on data from Statistics Iceland[1]. Further information on definitions and data sources is provided in the Methodology section.

Sector size. In 2024, approximately **930 people** were employed by Fintech companies in Iceland. Two of the sector's largest employers, Rapyd and LS Retail, each accounted for around 170 employees.

For comparison, approximately 3,300 people worked in traditional banking and insurance organisations in the same year, according to estimates by Finance Iceland, based on data from Statistics Iceland and the Central Bank of Iceland. As such, the Fintech sector now represents a meaningful and dynamic segment of Iceland's financial ecosystem.

Financial performance. The sector's **aggregate net profit approached 9 billion ISK** (approximately $65 million) in 2024, reflecting steady improvement in financial performance over the past five years. The upward profitability trend indicates that a growing share of Icelandic Fintech firms have adopted revenue models capable of supporting continued growth without relying exclusively on external financing.

[1] Note that Advania and Origo, large IT companies with specific Fintech-related offerings, are included in the Fintech sector map and company count but excluded from the sector's economic profile. Fintech represents a relatively small share of their overall operations and their inclusion in economic and financial statistics would materially overstate the size of the sector.

Productivity and structural maturation. Several indicators point to increasing operational maturity within the sector. By 2024, **more than 30% of Fintech companies employed at least ten people,** signalling a shift from very small early-stage ventures towards more established and commercially productive firms.

Although total sector employment remained broadly stable between 2020 and 2024, aggregate annual turnover increased significantly over the same period. As a result, **average annual turnover per employee reached approximately 72.8 million ISK (around $530,000) in 2024.**

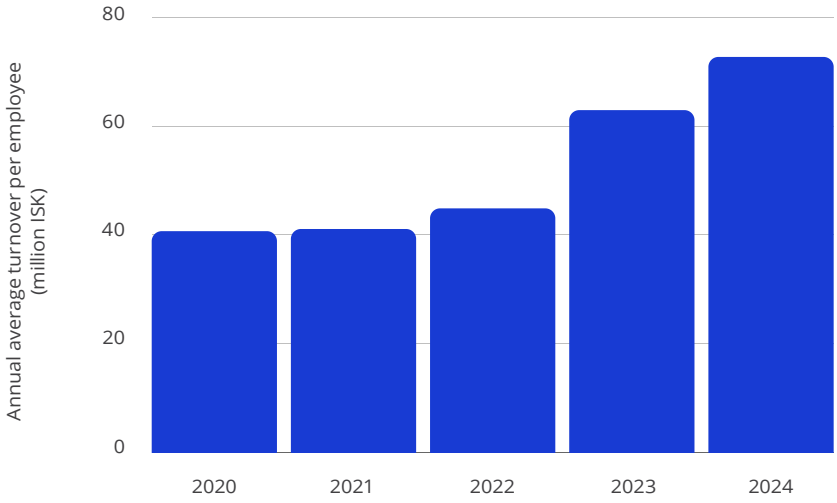


Figure 2: Annual average turnover per employee, million ISK, 2020–2024

This rise in revenue per employee suggests improving operational efficiency and reflects the sector's gradual shift towards higher-value, internationally scalable products as well as the strong operational leverage characteristic of software-led business models.

Export momentum. The share of export revenue in aggregate sectoral turnover has remained consistently above 50% over the period 2020–2024. This reflects the importance of exports driven by established international players and a second generation of companies now entering European and global markets.

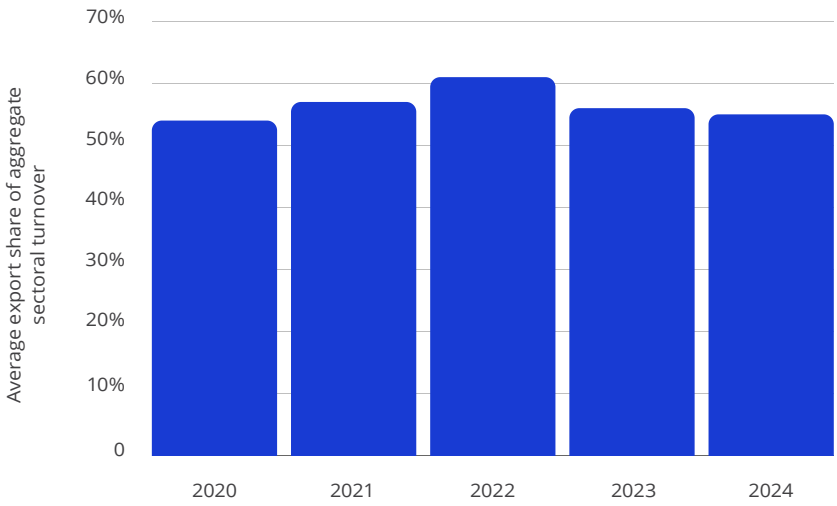


Figure 3: Average export share of aggregate sectoral turnover, 2020–2024

1.3 Funding and Investment

Public R&D support. Tækniþróunarsjóður (the Technology Development Fund, TDF), administered by Iceland's innovation agency Rannís, is the country's primary public grant instrument for applied innovation. While public R&D grants function primarily as early validation and bridge funding, enabling founders to develop and test a concept before seeking equity capital, we also see examples of more established companies benefitting from TDF grants to develop new products or services. A grant from Rannís signals technical credibility, lowers the cost of early-stage development, and often precedes or accompanies a company's first external fundraise.

Between 2020 and 2025, allocations to financial services innovation averaged **115M ISK ($850,000) per year.** The Fund directed grants to a wide range of Fintech-related projects spanning:

- **Digital banking AI tools (Bancony)**
- **AML and compliance software (Lucinity's Instant AML)**
- **Automated investment and pension planning tools (Spesía, Aurbjörg, Everen)**
- **Blockchain-based payment infrastructure (Mojoflower)**

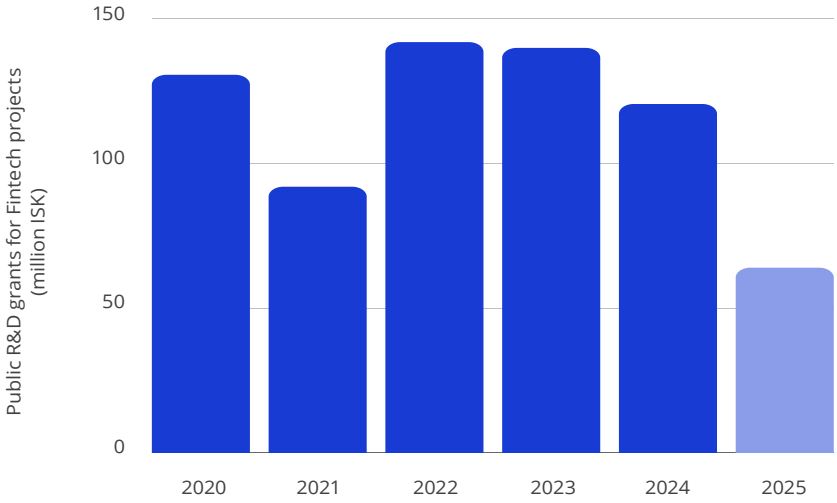


Figure 4: Tækniþróunarsjóður grants awarded to Fintech-related projects, million ISK, 2020–2025

Note that the source data reports contracted rather than requested or allocated grant amounts. Figure 4 displays these amounts for 2020–2024 as reported. The 2025 value is an estimate that adjusts for partially contracted multi-year grants; however, it may still underestimate total funding awarded for Fintech projects that year because some projects may not have been contracted yet.

Equity investment. Since 2020, a number of Icelandic Fintechs have continued to complete notable equity rounds. Highlights include:

- **Meniga: $25.9M across two rounds:** strategic bank investors from France, Portugal, and Italy signal direct commercial relevance to large European retail banks
- **Lucinity: $23.1M across two rounds:** backed by Keen Venture Partners, Experian, and Crowberry Capital
- **indó: $15.5M across two rounds:** backed by leading Icelandic tech insiders as well as international investors
- **Monerium: $4M (2022):** led by Taavet+Sten, the investment vehicle of Wise co-founder Taavet Hinrikus and Teleport founder Sten Tamkivi

A small but internationally connected domestic VC community, including Crowberry Capital, Brunnur Ventures, Frumtak Ventures and InfoCapital, provides crucial early-stage capital and network access, connecting Icelandic startups to international co-investors at the critical early stage.

Table 1: Examples of equity deals $1M+, 2020 - 2025

Company	Amount	Year	Investors
Lucinity	$17M	2022	Keen Venture Partners, Experian, Crowberry Capital, Karma Ventures, byFounders
Meniga	$16.5M	2023	Groupe BPCE, Crédito Agrícola, Omega
indó	$11M	2023	Leading Icelandic founders, Iceland Venture Studio II, undisclosed Swedish fund
Meniga	$9.4M	2020	Crédito Agrícola, UniCredit, Groupe BPCE, Velocity Capital, Industrifonden, Frumtak Ventures
Lucinity	$6.1M	2020	Karma Ventures, byFounders, Crowberry Capital, Perceptor Capital
Standby Deposits	$5.3M	2023	Brunnur Ventures, Stoðir hf
indó	$4.5M	2022	Vidici Ventures, Evolution, InfoCapital
Monerium	$4M	2022	Taavet+Sten (Taavet Hinrikus + Sten Tamkivi)
PayAnalytics	$3.4M	2021	Eyrir Vöxtur, NSA Ventures
Spesía	$3.2M	2025	Angel round: leading Icelandic investors and founders
Taktikal	$2M	2022	Brunnur Ventures
Memento (now Kardio)	$1.2M	2022	InfoCapital, Magnús Steinarr Norðdahl, Polaris

Notable acquisitions. The acquisition record since 2020 illustrates Iceland's growing attractiveness to international buyers:

- **Teya (formerly SaltPay) acquired Borgun for approx. $30M (2020) and Rapyd acquired Valitor for $100M (2021):** international payments companies building European operations on Icelandic foundations
- **Creditinfo acquired by LLCP for an estimated $150M (2021), LS Retail first by Aptos (2020) for approx. $145M and later by Axcel (2025):** international PE firms acquiring proven Icelandic Fintech businesses with global revenues
- **PayAnalytics acquired by beqom (2023) for an estimated $42M and PayDay by Visma (2023):** Icelandic Fintech products integrated into larger European software platforms for distribution and growth capital
- **Kvika Bank acquired Aur and Netgíró (2021):** domestic consolidation of key consumer finance assets within a single Icelandic institution.



2.

Why Iceland Works for Fintech

Iceland is classified as a **"Strong Innovator" on the European Innovation Scoreboard,** with notable strengths in digital infrastructure, R&D intensity, and venture capital access.[2] **WIPO's Global Innovation Index ranks Iceland as an "Innovation Leader."**[3] The country ranks first among OECD members in combined government tax relief and direct support for business R&D as a percentage of GDP.[4] The IMF identifies Iceland as **one of the most attractive OECD jurisdictions for investing in R&D,** citing the combination of generous fiscal incentives, a stable macroeconomic environment, and a competitive research base.[5] The ideal of **Nýsköpunarlandið or "the (is)land of innovation"** is increasingly backed by measurable outcomes.

For Fintechs, however, the more specific question is how these general innovation strengths translate into conditions that make it easier to build, test, and grow a financial technology business. When Northstack surveyed Iceland's Fintech leaders in February 2026, the advantages cited most consistently were **structural and relational:**

- the ability to test at small but national scale before expanding globally;
- advanced digital infrastructure;
- and a vibrant, connected startup ecosystem where proximity to banks, investors, regulators, and talent is unusual by any international comparison.

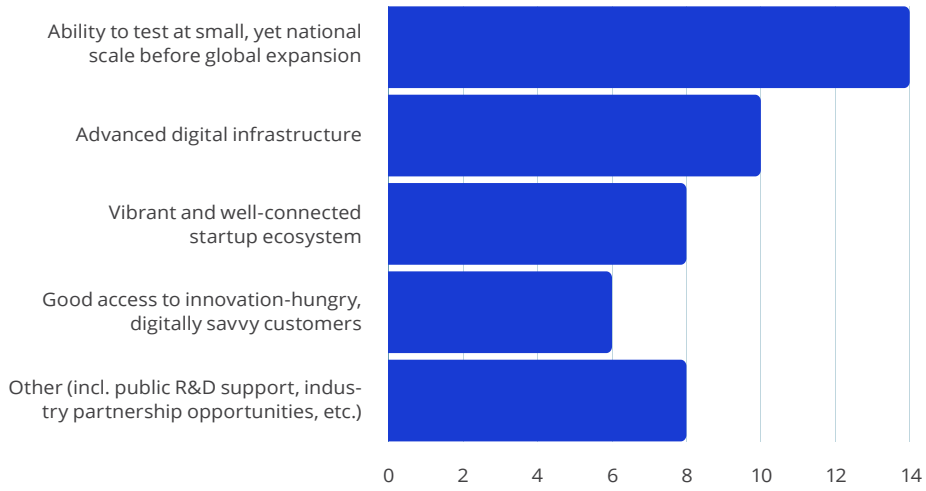


Figure 5: Iceland's main advantages for Fintechs (Fintech leaders' survey)

[2] European Commission (2024): European Innovation Scoreboard 2024 Country Profile Iceland.

[3] World Intellectual Property Office (2025): Iceland ranking in the Global Innovation Index 2025

[4] OECD (2025): R&D tax incentives continue to outpace other forms of government support for R&D in most countries

[5] IMF (2025): Iceland Country Report

2.1 A Base for Testing before Scaling

For a Fintech looking to test a product or service it intends to sell internationally, Iceland offers a rare combination: a market small enough to iterate in quickly, yet sophisticated enough to constitute a genuine national-scale pilot.

> "Iceland can be a good "test lab" for technology start-ups since testing ideas here is often faster and cheaper than in larger markets. And while the Icelandic market is small, consumer behavior is usually not fundamentally different from other markets so if an idea works here, it has the potential for global success."
>
> *— Georg Lúðvíksson, Co-founder & CEO of Spesía and former CEO of Meniga, in an interview with the Icelandic Intellectual Property Office in December 2025*

Key attributes of the market include:

- **EU regulatory alignment.** Iceland participates in the EU's financial services single market through the EEA. This means most EU regulatory frameworks (including PSD2, MiFID II and GDPR) are incorporated into Icelandic law. As a result, Fintechs operating in Iceland already align with much of the regulatory architecture used across the EU. Firms licensed in Iceland can often passport services across the EEA, subject to the relevant authorisations and notification procedures.
- **High financial inclusion and digitally advanced consumers.** Iceland is a global leader in access to financial services, with the highest share of people having access to a bank account and a debit card in the world.[6] Icelanders have high financial literacy and display strong trust in digital channels, with more than half of the population frequent e-shoppers.[7]
- **Innovation-hungry consumers with high demand for improved services.** Iceland ranks higher in financial services provider switching than any EU country: 48% of consumers have switched at least one financial product in the last five years, compared to a European average of around 25%. This applies across mortgages, savings accounts, and payment products, signalling a market of active, demanding consumers who reward genuinely better products.[8]

[6] European Banking Authority (2025): Risk Assessment Report - December 2025.
[7] S&P Global (2023): Tech Disruption In Retail Banking: Country-By-Country Analysis 2023
[8] Finance Iceland (2025): Fintech and the Icelandic financial system.

- **B2B proximity advantage.** Iceland's ecosystem is unusually compact and high-trust. The distance between a Fintech founder and a potential first banking/corporate client is shorter than almost anywhere else. For a B2B Fintech that needs a credible institutional pilot, this structural proximity is an advantage that cannot easily be replicated in larger, more anonymous markets.

Íslandsbanki x Meniga

Íslandsbanki was Meniga's first customer in 2009, served as the launch partner for some of its solutions, and became an investor in the company in 2018, providing a good example of long-term cooperation between a bank and a Fintech company that has both commercial and innovative significance.

2.2 Advanced Digital Infrastructure

Iceland's digital and financial infrastructure is among the most advanced in Europe.

Real-time payments since 1985. Reiknistofa bankanna (RB), founded in 1973 and jointly owned by Iceland's banks, has operated real-time payment processing infrastructure since 1985, representing nearly four decades of institutional investment in shared financial technology. This long-run commitment to common IT infrastructure allowed Iceland to adopt real-time interbank payment processing unusually early compared with many European systems. The Central Bank of Iceland's letter of intent with the European Central Bank (ECB) on the possibility of using the ECB's TARGET (T2 and TIPS) systems in Iceland signals commitment to further bolstering the resilience and security of payment intermediation in Iceland through full integration with European payment infrastructure.[9]

Identity infrastructure. Auðkenni, Iceland's electronic identity system, provides a nearly-universally adopted, highly trusted digital identity layer across the economy. For Fintechs building identity-verified products for the domestic market in e.g. lending or payments, this reduces the cost and complexity of identity verification compared with markets where digital identity systems are fragmented.

[9] Central Bank of Iceland (2025): Payments – Financial Stability 2025.

A supportive regulator

The Central Bank of Iceland (Seðlabanki Íslands) combines the functions of monetary authority and financial supervisory body in a single integrated institution. Tómas Brynjólfsson, Deputy Governor for Financial Stability at the Central Bank of Iceland, describes it as a model that creates a holistic, joined-up view of the financial system.

The Fintech Helpdesk, operated by the Central Bank, channels queries about regulatory requirements and licensing to the relevant specialists within the Bank (including technical specialists, not just legal and supe visory functions) and provides integrated, cross-functional responses in a fast and efficient process.

The Payments Council, chaired by the Central Bank and meeting twice yearly, provides a formal stakeholder forum that explicitly includes Fintech companies alongside banks and other financial institutions.

At the international level, the Central Bank actively participates in the BIS Innovation Hub Nordic Centre vthrough secondment of personnel, keeping the institution at the forefront of regulatory innovation.[10]

Iceland's track record of regulatory firsts confirms an approach that combines rigorous standards with genuine openness. In 2019, Monerium received the world's first e-money licence for blockchain-based issuance under EU regulations.[11] In 2022, indó received a full banking licence as Iceland's first fully digital challenger bank.[12] These precedents signal to prospective market entrants that Iceland's regulatory system is capable of engaging thoughtfully with novel business models.

AI and language readiness. The government's Language Technology Programme for Icelandic invested in developing core natural language processing infrastructure for the language, including speech recognition, machine translation, and linguistic datasets. The programme aims to ensure that Icelandic remains usable in digital systems and AI-driven applications, enabling companies to build technology products (including financial services) that function effectively in Icelandic.

[10] Central Bank of Iceland (2025): Payments – Financial Stability 2025.

[11] Monerium (2019): World's first e-money license for blockchains issued to Monerium.

[12] Central Bank of Iceland: Financial Supervision 2023.

Efficiency and digital transformation in traditional finance The pressure of operating in a highly concentrated, small-scale market has driven Iceland's banking sector to invest heavily in digital transformation as a primary route to operational efficiency. That investment is reflected in the cost structure: Icelandic banks' ratio of IT expenses to other administrative expenses reached 16% in 2022, exceeding both the Nordic average of 11.3% and the EU average of 10.6%.[13] More recently, a 2025 survey by the Financial Institutions Employees' Association suggests that around one in five employees in Iceland's traditional financial and insurance services sector works in an IT role.[14]

The branch-to-digital transition is now effectively complete. Branch density has fallen sharply since 2004 and converged with the Nordic average, while 99% of private customer interactions with Icelandic retail banks now take place via digital channels.[15] The cost-to-asset ratio, which stood significantly above Nordic peers a decade ago, has been inching steadily toward that benchmark.[16]

> "Iceland's three incumbent banks offer significant Fintech solutions and are far ahead of their European peers. The population's continued demand for convenient and technologically seamless banking will ensure incumbent banks remain under pressure to innovate."
>
> *— S&P Global, Tech Disruption in Retail Banking: Country-By-Country Analysis, 2023*

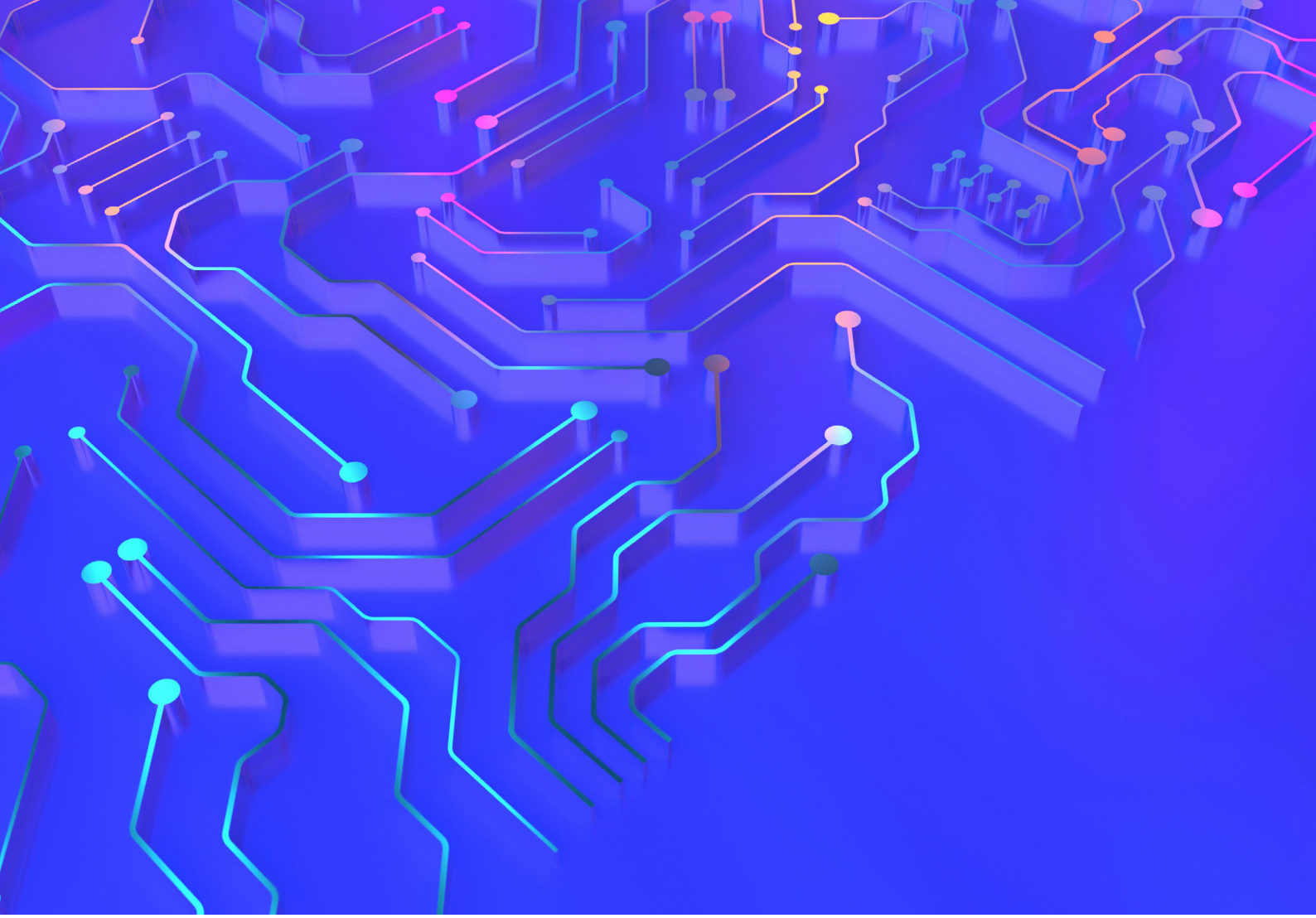
Blockchain and digital infrastructure. Iceland's renewable energy supply and cool climate made it an early destination for energy-intensive computing, attracting bitcoin mining and large-scale data centre operations from the mid-2010s onwards. atNorth (formerly Thor Data Centers), founded in Reykjavík in 2012, was among the first companies to build hyperscale data centre capacity serving cryptocurrency miners, and has since grown into a pan-Nordic platform. The green angle is not incidental: as the environmental cost of digital infrastructure attracts greater regulatory and investor scrutiny across Europe, Iceland's position as a provider of renewable-powered computing has become a reputational asset in its own right.

[13] European Banking Authority (2022): Risk Assessment Report 2022 Annex

[14] Samtök starfsmanna fjármálafyrirtækja (2025): Kjarakönnun 2025.

[15] S&P Global (2023): Tech Disruption In Retail Banking: Country-By-Country Analysis 2023

[16] Finance Iceland (2025): Fintech and the Icelandic financial system.



2.3 A Vibrant and Well-Connected Startup Ecosystem

Iceland's Fintech ecosystem is animated by an unusually dense network of supporting institutions, relationships, and funding mechanisms. Its supporting infrastructure includes:

- **Business Iceland:** Iceland's official export promotion agency, helping Icelandic companies access international markets and grow their business abroad. It operates across five sectors: Energy and Green Solutions, Tech and Innovation, Arts and Creative Industries, Tourism, and Fisheries and Food. Within the Tech and Innovation sector, Business Iceland supports technology companies, including Fintech, in building international market presence, facilitating connections with partners and buyers, and promoting Iceland as a hub for technology-driven businesses.

- **Finance Iceland (SFF):** represents financial companies in Iceland, including universal banks, investment banks, savings banks, insurance companies, leasing companies, securities companies, and card companies. SFF has 25 member companies. Its objectives are to promote a healthy operating environment for financial companies in Iceland, advocate for their interests internationally, and increase understanding of their role in the Icelandic economy. SFF is a member of the European Banking Federation and Insurance Europe.

- **Reykjavík Fintech:** Iceland's Fintech cluster, bringing together banks, startups, regulators, universities, and service providers to foster collaboration, innovation, and knowledge sharing. It supports members through industry working groups, events, international partnerships, and direct engagement with policymakers, helping companies navigate regulation, build connections, and scale both domestically and globally.

- **Klak:** Iceland's highly acclaimed national innovation support organisation, providing early-stage Fintech founders with funding, structured mentorship, and access to a strong network of investors, industry experts, and ecosystem partners. On the Financial Times' list of Europe's Leading Start-up Hubs 2025 and 2026.

- **Reykjavík University Fintech Research Centre (RU Fintech):** bridging academic and commercial worlds and broader society with applied research and a pipeline of technically trained graduates.



EduChain: Blockchain for Social Inclusion

EduChain is a research collaboration between Reykjavík University and the University of Iceland that illustrates how blockchain infrastructure can be applied to broader societal challenges. The project uses a permissioned blockchain to verify academic credentials, enabling immigrants and refugees to authenticate their qualifications across institutional and national borders, while a parallel incentive layer rewards participation in language and skills training with digital tokens. Piloted with the Icelandic Red Cross, EduChain demonstrates the potential for university-led blockchain innovation to serve inclusion and labour market integration goals, not only commercial ones.

- **Icelandic Blockchain Foundation:** a nonprofit industry association that promotes blockchain and cryptocurrency innovation in Iceland through advocacy, education, and collaboration among companies, developers, and policymakers.
- **Bank engagement structures:** Landsbankinn's Innovation Sandbox (opened 2021), Arion Bank's Startup Reykjavík accelerator, Íslandsbanki and Kvika Bank's records as Fintech investors and launch partners.
- **Domestic VC community:** Brunnur Ventures, Crowberry Capital, Frumtak Ventures, Iceland Venture Studio, ReykVC and InfoCapital maintain active deal networks across the Nordic and broader European venture ecosystem, connecting Icelandic startups to international capital.

The cumulative effect of these overlapping networks of banks, accelerators, research centres, industry bodies, and investors all operating in a single city is an ecosystem that functions, for a founder with a good idea, less like a market and more like a community.

3.

What Makes Icelandic Fintech Distinctive

3.1 Building Better Finance

A recurring theme among Iceland's most successful Fintech founders is that their companies were built to solve a problem in how finance works, not just to apply technology to an existing financial product. The 2008 banking collapse is part of the context: Iceland's three major commercial banks failed within a single week, and the episode reshaped how a generation of Icelandic financial professionals thought about the structural weaknesses of the financial system. It also coincided with the moment when digital technology made it practical to rebuild differently.

> "The crisis created the necessity of reinventing the financial system at the time that the digital revolution was taking place. This brought both technology and regulation into sharp focus."
>
> *— Helga Valfells, Founding Partner, Crowberry Capital*

As Helga Valfells, Founding Partner at Crowberry Capital put it in an interview with Northstack, *"'How do we build better — safer, fairer, more efficient — finance?' has been the mentality shared by many successful Icelandic Fintechs."* A first generation of companies emerged directly in the wake of the collapse, most notably Meniga and Five Degrees. A subsequent wave of companies has addressed a broader and more international set of problems:

- **Lucinity:** founded on the premise that financial crime compliance was generating excessive false positives and failing to keep pace with actual criminal behaviour. Its Human AI approach makes compliance work more accurately and efficiently.
- **Monerium:** built regulated e-money on public blockchain networks, creating a digital form of euros that moves faster, costs less, and is more accessible than traditional wire transfers.
- **indó:** Iceland's first fully digital bank, built around transparent, low-fee retail banking — a direct response to the opacity that characterised pre-crisis Icelandic retail banking.
- **Spesía:** makes automated investment management accessible to ordinary savers, democratising a product category previously available only to consumers with substantial private wealth.
- **PayAnalytics:** applies academic-grade data analytics to gender pay gap analysis, turning a compliance obligation into a strategic tool for compensation fairness.

In each case, the technology implements a clear view about what financial services should be doing for their customers. Companies founded around a coherent product thesis tend to be more focused and better able to articulate their value proposition to international clients.

Competitive pressure from this generation of Fintechs has also driven meaningful improvements in Iceland's incumbent financial institutions. Banks confronted with digital-native competitors offering better experiences at lower cost have invested heavily in their own digital capabilities. As Valfells notes, *"the Icelandic public and businesses can now leverage digital financial innovation in ways not possible before."*



3.2 Unlocking the Value of Partnerships

Iceland's banking system is highly concentrated: the three major commercial banks together hold approximately 92% of domestic banking assets. Yet regardless of their relative dominance, all three face the same structural constraints. The banks' small size does not support economies of scale and instead creates incentives to increase efficiency through innovation. Moreover, a small domestic market generates limited absolute revenues, making it difficult to justify developing every capability in-house. This creates a genuine incentive to partner with Fintechs offering ready-made, scalable solutions. In this sense, Iceland's banks are perhaps more motivated to collaborate than their counterparts in larger markets, where the economics of in-house development are easier to justify.

> "What amazes me is to see what these companies can achieve with limited funding. They are agile and have no legacy. It is inspiring and a reminder to continue to invest in our infrastructure to achieve better services at lower costs."
>
> *— Benedikt Gíslason, CEO, Arion Bank in an interview with The Banker in 2022*

The arrangement generates mutual benefits. Fintech companies provide capabilities the bank cannot efficiently develop internally, such as compliance AI, financial data analytics, and agile product development, while the bank offers **scale, regulatory standing, and the credibility of institutional adoption.** Fintechs validate their product; the banks improve their service.

Tómas Brynjólfsson (Central Bank of Iceland) adds a further dimension in an interview with Northstack: Iceland's banks have accumulated **deep expertise in navigating EU financial and data regulation** that smaller Fintechs can leverage through partnerships, reducing their regulatory risk while giving the bank a more capable technology partner. For international investors, an Icelandic Fintech with a major bank reference, tested in a **regulated, live environment aligned with EU standards,** provides a meaningful signal.

Bank–Fintech partnerships in Iceland and beyond

ARION BANK × IGLOO

Igloo (formerly Leiguskjól, rebranded in 2019) has built Iceland's leading digital infrastructure for the rental market, serving the vast majority of tenants, landlords and property managers. More than a rental platform, Igloo is a Fintech distribution engine: it enables financial institutions to win market share by embedding trusted products directly into housing transactions. The clearest example is rental guarantees, where Arion Bank, through its partnership with Igloo, has achieved a commanding market position by replacing large upfront deposits with a simpler monthly-fee model for tenants. The partnership shows how established financial institutions and agile technology platforms can create new demand, modernise legacy products, and capture customers through smarter, more relevant digital channels.

KVIKA X LUCINITY

When Lucinity's AI-driven AML platform launched in 2018 in Reykjavík, its first client was Kvika Bank, Iceland's specialist investment bank. That early relationship gave Lucinity a live, regulated environment in which to validate and refine its product, producing the institutional proof of concept that opened doors to larger clients internationally. Within two years of the Kvika partnership, the company had signed its first tier-1 global financial institution.

ÍSLANDSBANKI × PAYDAY

Between 2019 and 2023, Íslandsbanki's strategy centred on open banking solutions. With this focus at the forefront, the Bank entered into a strategic partnership with Icelandic Fintech Payday. The solution supports the Bank's digital journey and simplifies invoicing, payroll processing, accounting, and the filing of VAT and other government duties. As Una Steinsdóttir, Managing Director of Business Banking, puts it: *"Íslandsbanki aims to be #1 in customer service, and our partnership with Payday enables us to do that even better than before."*

HANDELSBANKEN X MENIGA

In 2024, Meniga partnered with Handelsbanken's Norwegian operations to enrich their digital banking experience with hyper-personalised financial insights and engagement tools. The collaboration allows Handelsbanken to offer automated, contextual insights that help customers make more informed decisions, deepening digital engagement. For Meniga (founded in Reykjavík in 2009 and now powering 30+ of some of the world's largest and most influential banks) the agreement reinforces its competitive strength in the Nordic market and underscores the value Fintech-bank partnerships bring in combining innovative digital solutions with established retail distribution.

LANDSBANKI X YAY

YAY is a leading prepaid specialist Fintech with a track record that includes issuing the state's Ferðagjöf card and serving over 250 corporate clients. Landsbankinn has run its own prepaid card service for many of Iceland's largest companies, with deep distribution infrastructure and decades of market experience. In 2025, the two merged these operations into Yayland ehf., a jointly owned entity covering the development, issuance and operation of digital and physical prepaid cards, gift certificates and loyalty products. As Lilja Björk Einarsdóttir, CEO of Landsbankinn, noted: *"in this new partnership, we'll combine our expertise and take advantage of joint strengths to offer companies increased flexibility and more diversity in the products they offer their customers."*

4.

Future Trends and Opportunities

4.1 Growth Prospects

Iceland's Fintech companies approach 2026 with well-founded optimism. In Northstack's February 2026 survey of Fintech leaders, strong majorities described their company as likely or very likely to pursue each of the following in the next 12 months:

- **Grow revenue**
- **Launch new products or services**
- **Expand into new markets**

The consistency of positive responses across these three dimensions, alongside a more moderate response to headcount increase, suggests companies with strong growth prospects and an increasing focus on internal operational efficiency.

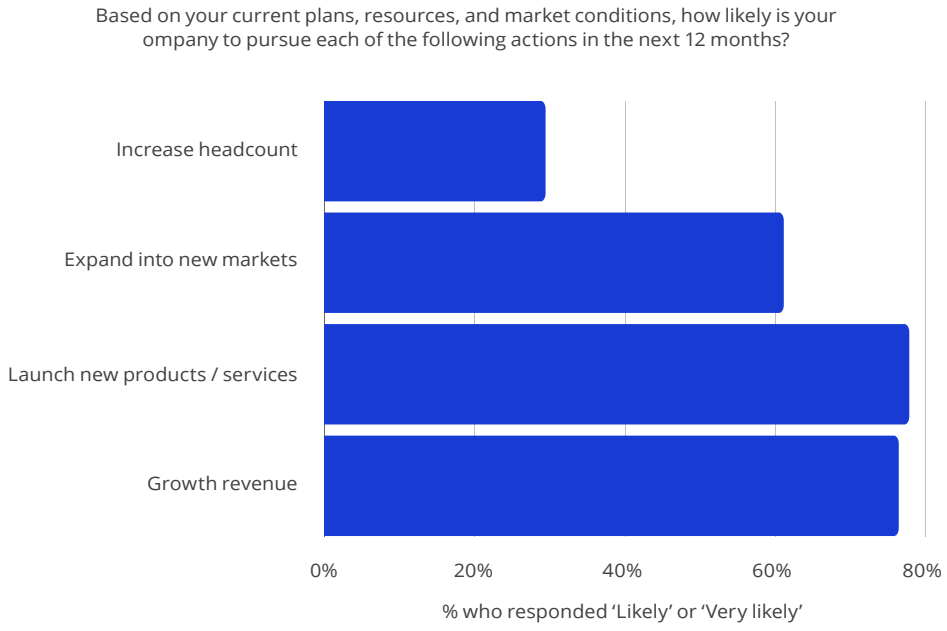


Figure 6: Growth prospects in next 12 months (Fintech leaders' survey)

4.2 Artificial intelligence

Artificial intelligence features prominently in Iceland's Fintech priorities, consistent with global trends, but with some Iceland-specific texture. The Fintech leaders' survey uncovered three primary AI focus areas:

- **Internal efficiency (most common):** using AI to automate and accelerate internal workflows and reduce operating costs; covering alert triage, document processing, data extraction, and risk scoring
- **Product development:** launching new AI-enabled features or products for customers
- **Strategy evaluation:** assessing AI's potential impact on business models and competitive position



Figure 7: Primary AI focus in the next 12 months (Fintech leaders' survey)

The priority given to internal efficiency over product development reflects pragmatic sequencing rather than a lack of ambition. It suggests that Icelandic Fintech leaders are building the operational foundations before making external product commitments.

Iceland's AI advantages. Tómas Brynjólfsson (Central Bank of Iceland) describes Iceland as a data-rich society: a product of comprehensive digital infrastructure, high economic formalisation, and a population that has transacted digitally for over two decades. This data density is a genuine competitive resource for companies building AI-driven financial products. The government's Language Technology Programme for Icelandic has also invested substantially in ensuring the Icelandic language is fully integrated into AI systems.

The language moat risk. Brynjólfsson warns of a potential risk for companies whose competitive position has depended on the Icelandic language as a barrier to entry. AI-enabled translation and localisation capabilities might reduce this protection. The parallel he draws is instructive: cheap international travel in the 1990s eroded the geographic inaccessibility that had historically protected small local markets. For companies whose advantage is primarily language-based, this is a strategic risk that warrants consideration.

4.3 Opportunities for Growth

Account-to-account (A2A) solutions and open banking. The regulatory and infrastructure conditions for A2A payment solutions in Iceland are becoming increasingly favourable. Icelandic institutions implemented PSD2 by 2022, opening domestic payment systems to licensed third-party providers and creating the legal basis for Fintechs to build payment initiation and account information services directly on top of bank account infrastructure. In practice, open banking adoption has moved more slowly than the regulatory framework would suggest. The Central Bank has reinforced the direction through its own active steps to develop domestically located, instant-payment-based A2A rails. Looking ahead, the agreed PSD3/PSR package will strengthen and harmonise open banking rules across the EEA, while the proposed Financial Data Access (FIDA) framework would further extend data-sharing obligations beyond payment accounts to insurance, investments, and pensions. For Icelandic Fintech companies, this represents both a product opportunity and a B2B opportunity helping incumbents meet new API and data-sharing obligations. Iceland's concentrated banking sector is an unusual structural advantage here: a working integration with one of the three major banks creates large domestic coverage, offering a faster path to proving an open banking product than in most European markets.

Know Your Customer (KYC) and Anti-Money Laundering (AML). As Tómas Brynjólfsson observes, "KYC and AML are areas with increasing opportunities for valuable Fintech–traditional financial service provider collaboration." Rising European regulatory burden, expanding enforcement, and growing financial crime sophistication all create continuous pressure on financial institutions to find more efficient solutions. Yet KYC and AML are fundamentally matters of public interest, and the greatest gains come not from individual institutions improving their own processes in isolation, but from information and infrastructure being shared across the sector. This is where Fintech solutions have a distinctive role to play, by enabling cross-institutional collaboration that can shift outcomes at the system level. Lucinity has demonstrated the market exists at institutional scale; the question is how broadly the model extends.

Pay equity analytics. The EU Pay Transparency Directive (2023/970) requires all EU member states to transpose its requirements into national law by 7 June 2026.[17] Companies with more than 100 employees face reporting obligations; those with more than 250 face the most stringent requirements. First reporting obligations begin in 2027 and extend progressively to all qualifying organisations. PayAnalytics (now part of the beqom platform) is the leading purpose-built solution for Directive compliance. Iceland's own track record as the first country to mandate equal pay certification (2018) makes it a credible source of practical expertise.

Talent as latent supply. Helga Valfells (Crowberry Capital) identifies a structural opportunity: many of the people best positioned to build the next generation of Icelandic Fintech companies are currently employed in banks and insurance companies. They have domain expertise to identify real problems and technical skills to build solutions. The VC community and accelerator infrastructure provide meaningful support structures. Some Fintech exits have provided founder role models, though examples of founders walking away with significant returns remain relatively few, a reality that may temper incentives for the next generation. Whether that latent talent nonetheless translates into meaningfully more company formation in the coming years is one of the most interesting questions for the ecosystem's long-term trajectory.

[17] European Commission (n.d.): EU action for equal pay.

5.

Ecosystem Map & Company Profiles

NORTHSTACK

Íslandsstofa
Business Iceland

Samtök fyrirtækja
í fjármálaþjónustu

April 2026
northstack.is

Reykjavík
Fintech

Fintech Companies

Accounting & Payroll

advania · Centara · dk · Kardio · KONTO · launa · LS Retail · origo. · payday · PAYTODAY · Regla · UNICONTA · UNIMAZE

Credit & Lending

Fjáröflun.is · Frágangur · Framtíðin · igloo · KAROLINA FUND · Krita · Standby

Digital Banking & Infrastructure

Bancony · five°degrees · fuglar · indó · JIKO · KLAR BANKING · pearl · TPLÚS

Digital Assets & Crypto

MONERIUM · myntkaup · ripple

Data & Analytics

advise · CREDITINFO · INVECTOR · Klappir · KÓÐI · kuratech · PAYANALYTICS by beqom · Procura

PayTech

AUR · blikk · Central Pay · pei · Handpoint · ÁSKELL · passcreator · PAYSTRAX · planet · Rapyd · Slize · Smartsolutions · Splitti · straumur · teya

WealthTech

aparta · Spesía · STOCK ANALYSIS · verifone · YAY! · YAYLAND

RegTech

LUCINITY · Taktikal.

InsurTech

EVEREN · viss

Personal Finance

Aurbjörg · meniga

Payment-enabled platforms

Abler · BASTA · bidd · Bókun · easyPARK · glaze · KLAPP · midix.is · noona · Parka · tix · verzla · HOLDINGS

Key Ecosystem Actors

Sectoral associations and startup support

Íslandsstofa · Samtök fyrirtækja í fjármálaþjónustu · RAFMYNTAÐ · KLAK Icelandic Startups · Reykjavík Fintech · RU FINTECH

Banks

Arion banki · KVIKA · Landsbankinn

Funders and Investors

ALVA Capital · BRUNNUR · Crowberry CAPITAL · Frumtak · IceBAN · ICELAND VENTURE STUDIO · InfoCapital · investa · rannís · ReykVC

Regulation and Infrastructure

AUÐKENNI · SKÝRSLA STJÓRNVALDA · RB

CREDITINFO

Segment: Data & Analytics
Founded: 1997 (as Lánstraust ehf)
HQ: Reykjavík (group: London)
Ownership: Levine Leichtman Capital Partners (acquired 2021) and InfoCapital

Creditinfo was founded in Reykjavík in 1997 as Iceland's credit bureau and has since grown into a network operating in over 30 countries across Europe, Africa, Asia, and the Caribbean, providing credit information infrastructure, scoring models, and decision analytics to lenders, governments, and central banks. The company's competitive strength lies in its institutional knowledge of credit market development in emerging economies: knowledge built in Iceland and exported globally over three decades. Majority stake acquired by US-based private equity firm Levine Leichtman Capital Partners (LLCP) in 2021. (creditinfo.is)

FIVE DEGREES ICELAND

Segment: Digital Banking & Infrastructure
Founded: 2009, Amsterdam (with Icelandic co-founder);
Libra (1996, Kópavogur) acquired by Five Degrees in 2018
Ownership: Topicus / Total Specific Solutions (acquired 2023)

Five Degrees was founded in Amsterdam in 2009 by Björn Hólmþórsson, formerly head of IT at Landsbanki Luxembourg, alongside Martijn Hohmann, former Managing Director of Landsbanki in the Netherlands, and a third co-founder, drawing on talent and technology assets from Landsbanki's Luxembourg operations. Its first major milestone came in 2012, when Knab, ABN AMRO's digital challenger bank, launched on the Matrix platform. Five Degrees then expanded rapidly, serving institutions including ABN AMRO, Van Lanschot and TD Bank across Europe and North America. In 2018, Five Degrees acquired Libra, a Kópavogur-based banking software specialist tracing its history to 1996, when it was established within Tölvumyndir. Libra had spent two decades developing securities back-office and loan management software for Iceland's financial sector. When Five Degrees was acquired by Topicus / Total Specific Solutions in 2023, the Icelandic operations were separated from the international platform and now operate as a standalone entity, continuing to serve Icelandic financial institutions with Matrix Lending and Matrix Securities from offices in Kópavogur and Akureyri. (fivedegrees.is)

KLAPPIR SUSTAINABLE FINANCE

Segment: Data & Analytics, ESG
Founded: 2014, Reykjavík (subsidiary: Klappir Nordic, Copenhagen)
Ownership: Public (Nasdaq First North Iceland, listed 2017)

Klappir is Iceland's leading sustainability data platform, serving over 700 organisations with tools for collecting, validating, and reporting sustainability and resource data aligned with regulatory and voluntary standards. Íslandsbanki has used Klappir's Sustainability Platform as the data backbone of its ESG reporting since 2019. Data management processes hold ISAE 3000 Type 2 attestation from Deloitte. Expanding internationally through its Copenhagen-based Klappir Nordic subsidiary and supported by strong local partnerships. As worldwide disclosure obligations extend progressively and resource scarcity intensifies, Klappir's platform and regulatory alignment position it for sustained international growth. (klappir.com)

LUCINITY

Segment: RegTech
Founded: 2018, Reykjavík
Ownership: Private (Keen Venture Partners, Experian, Crowberry Capital, Karma Ventures, byFounders)

Lucinity is an AI-driven RegTech and AML platform on a mission to "Make Money Good" by modernising how financial institutions detect, investigate, and prevent financial crime. Its Human AI approach blends machine learning with human oversight to provide explainable investigation workflows, behavioural risk insights, transaction monitoring, and regulatory reporting. Raised $23.1 million across two rounds. Winner of Iceland's Knowledge Company Award 2024; recognised in the AIFinTech100 list. Solutions available through Microsoft's Azure Marketplace. (lucinity.com)

MONERIUM

Segment: Digital Assets & Crypto
Founded: 2016, Reykjavík
Ownership: Private (investors include Taavet+Sten, Gnosis VC, and Crowberry Capital)

Monerium is the world's first Electronic Money Institution (EMI) authorized to issue e-money tokens on blockchains. Its flagship product, EURe, is a fully regulated, MiCA-compliant euro stablecoin integrated across Ethereum, Polygon, Gnosis, Arbitrum, Linea, Base, and Noble (Cosmos). Monerium enables real-time SEPA transfers directly between traditional bank accounts and self-custodial wallets, facilitated by web3 IBANs. This infrastructure currently powers major onchain payment solutions, including the MetaMask Mastercard and Gnosis Pay Visa debit cards which also feature the Monerium GBPe. Monerium supports pairwise trading of regulated stablecoins, starting with EURe and USDC. This allows users to execute onchain FX trades while accessing the deep liquidity of the offchain FX markets. The company is backed by industry leaders including Taavet+Sten, Gnosis VC, and Crowberry Capital, alongside prominent tech entrepreneurs and DeFi and TradFi pioneers. (monerium.com)

PAYANALYTICS

Segment: Data & Analytics, ESG
Founded: 2018, Reykjavík
Ownership: beqom (acquired December 2023)

PayAnalytics by beqom is the world-leading pay equity analytics platform, built on over a decade of academic research including work by Professor Margrét Bjarnadóttir of the University of Maryland. The platform enables organisations to analyse compensation data, identify pay gap drivers, model remediation scenarios, and produce compliance documentation aligned with pay equity legislation in the EU, the US, and Canada. The EU Pay Transparency Directive's transposition deadline of June 2026 is the most significant near-term commercial driver across European markets. Won the Nordic Fintech Impact Award in 2022. Received the Icelandic Innovation Award in 2023; acquired by Swiss compensation and performance management company beqom in December 2023. (payanalytics.com)

SPESÍA

Segment: WealthTech
Founded: 2024, Reykjavík
Ownership: Private ($3.2M angel round, 2025)

Spesía is Iceland's first automated investing platform, offering consumers goal-based, personalised wealth management services and portfolio automation through a mobile-first interface targeting mass-affluent consumers without financial expertise. The platform addresses a gap in Iceland's savings and investment market which lacks low-cost and technology-based investing solutions. Beyond introducing automated, low-cost investing to Iceland, Spesía is building an AI-driven financial advisory service for global markets which it plans to test and prove first in Iceland. Spesía raised a $3.2M angel round in 2025, backed by leading Icelandic investors and founders. (spesia.is)

STANDBY DEPOSITS

Segment: Credit & Lending
Founded: 2020, New York, NY, US
Ownership: Private (Stoðir hf, Reon Ventures ehf, Brunnur Ventures; $5.3M raised 2023, $3.6M raised 2025)

Standby Deposits provides an alternative to the traditional rental cash deposit, offering landlords equivalent protection through a financial instrument that frees tenants from locking up one to three months' rent for the duration of their tenancy. The product addresses a capital efficiency problem disproportionately affecting younger renters and lower-income households while simultaneously solving a costly issue for property owners and operators. Standby has clear applicability in US and European markets where deposit reform is a policy priority. Founded and led by CEO Elvar Thormar, the company has raised $8.9M in recent years, including a $5.3 million round in 2023 led by Stoðir hf. and Brunnur Ventures, the largest Fintech equity round involving Icelandic founders and investors that year. (standby.io)

6.

Methodology and Definitions

What do we mean by ‘Fintech’?

For the purposes of this report, we understand *financial technology innovation* as **leveraging digital technology to create, enable, or transform financial services, generating new or materially improved products, services or business models.** This includes activities by regulated financial institutions (banks, e-money institutions, payment service providers, investment firms) and by companies providing technology infrastructure, data, analytics, or software for financial services businesses or for company finances. The definition is intentionally broad, reflecting the increasingly blurred boundary between financial services and technology provision.

When considering *Fintech* companies, however, we employ a narrower definition that ensures compatibility with peer country ecosystem maps: **startups and scaleups whose primary commercial purpose is financial technology innovation.** As such, our report is intended to primarily focus on challenger Fintech companies rather than incumbent financial institutions that have adopted digital tools to modernise existing operations. Nonetheless, we understand traditional financial institutions as key players in the broader Fintech ecosystem, and as important contributors to financial technology innovation in their own right.



Our report distinguishes between **76 "core Fintech" companies** whose primary business is financial technology and operate in one of the ten Fintech segments outlined below and **14 "Fintech-adjacent" payment-enabled platforms** whose operations depend on deep integration with financial services infrastructure but whose primary commercial activity lies outside Fintech. The latter are referenced on the ecosystem map but are excluded from economic and funding statistics.

Inclusion criteria. To be counted as a core Fintech company, a firm must satisfy all four of the following criteria:

Criterion	Details
Financial core	Does the company operate in a recognised Fintech segment and derive its primary value or majority revenue from financial services? (Specialised Fintech offerings by general enterprise tech companies are included.)
Technology-first	Is the business model natively digital, with differentiation substantially driven by proprietary or highly integrated software? Would the core product be materially degraded without the technology layer?
Challenger	Is innovation a principal commercial purpose rather than an internal support function or modernisation effort?
Icelandic	Does the company have a material and ongoing economic or operational connection to Iceland, e.g. through incorporation, founding or strategic leadership, investment, or significant engineering or product activity?



Segment Definitions

Segment	Definition
Accounting & Payroll	Software solutions that digitise and automate accounting workflows, including payroll processing, invoice management, and financial statement generation for organisations of all sizes.
Credit & Lending	Digital platforms offering non-traditional borrowing options, including peer-to-peer lending, equity crowdfunding, and alternative financing vehicles for consumers and enterprises.
Digital Assets & Crypto	Technologies enabling the exchange, management, and transfer of cryptocurrencies and blockchain-based digital assets. Encompasses tokenisation initiatives, decentralised finance (DeFi), and Web3 applications.
Data & Analytics	Solutions leveraging financial data to generate actionable insights, enhance credit assessment models, and support evidence-based business decisions.
Digital Banking & Infrastructure	Digital-first financial institutions (neobanks and challenger banks) providing deposit-taking and account services; foundational technology systems enabling digital banking delivery, including core banking platforms, Banking-as-a-Service (BaaS), and API frameworks.
InsurTech	Technology-enabled solutions across the insurance value chain, from product distribution and underwriting automation to claims management and fraud detection.
PayTech	Technologies facilitating digital money movement across channels, including mobile payments, digital wallets, payment processing networks, and international fund transfers.
Personal Finance	Digital tools for daily financial management, including budgeting, expense tracking, and short-term automated savings goals. Focuses on consumer financial health and liquidity.
RegTech	Specialised software that assists organisations in regulatory compliance, including automated monitoring for financial crime, identity verification systems, and cybersecurity solutions.
WealthTech & Pension	Platforms for long-term asset growth, including robo-advisory, retail brokerage, and portfolio management. Specifically encompasses digital administration and optimisation of pension savings.

Data Sources

Sector mapping: Updated from the 2019 Reykjavík Fintech sector mapping created by Northstack, with additional input from Reykjavík Fintech, systematic review of public funding announcements and industry publications, and Northstack research.

Economic and business statistics: Data from Statistics Iceland for 2020–2024, covering up to 57 Fintech companies meeting two criteria: (a) an active Icelandic business entity with a working website as of February 2026; (b) submission of tax records during the period. The lower count relative to the 76 core companies reflects companies founded after 2024, and companies active but generating no employment or revenue in a given year. Advania and Origo, two large IT companies with specialised Fintech products, are included in the Fintech sector map and company count but excluded from the sector's economic profile. For these companies, financial services represent just a share of their overall operations and their inclusion would materially overstate the size of the sector.

Public R&D funding data: Northstack classification and analysis of publicly available Tækniþróunarsjóður grantee data, accessed via the Rannís Gagnatorg database. The original data source indicates amounts according to grant contracts signed as of February 2026. Some grants allocated in 2025 span multiple years and have been only partially contracted.

Equity funding and acquisitions: Systematic review of company announcements, press releases, investor communications, and industry publications. Deals are included where the transaction value is $1 million or more and has been reported in a credible public source. For deals originally in ISK, the USD amounts in the report were calculated at the exchange rate prevailing at the time of the transaction. Where no transaction value was publicly disclosed, this is noted.

Expert interviews: Semi-structured interviews conducted in January–February 2026 with key ecosystem leaders Helga Valfells (Founding Partner, Crowberry Capital) and Tómas Brynjólfsson, Deputy Governor for Financial Stability at the Central Bank of Iceland.

Fintech leaders' survey: An online survey conducted by Northstack in February 2026. The survey received 19 usable responses, corresponding to a response rate of 20–30% depending on assumptions about the total addressable population. Respondents represent a cross-section of segments and company sizes. Survey findings should be read as directionally indicative rather than statistically representative of the full ecosystem.

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