

FintechOS' \$58.2M raise underlines the salience of low-code development platforms in FIs' digital transformations

Article

The Europe-based startup secured €51 million (\$58.2 million) in a Series B funding round led by Draper Esprit to fuel ambitious international expansion into North America and the Asia-Pacific, [per](#) Finextra. [FintechOS' platform](#) lets banks and insurers—like Raiffeisen Bank and Société Générale—quickly launch new digital products by tapping into the fintech's low-code framework and plug-and-play solutions.

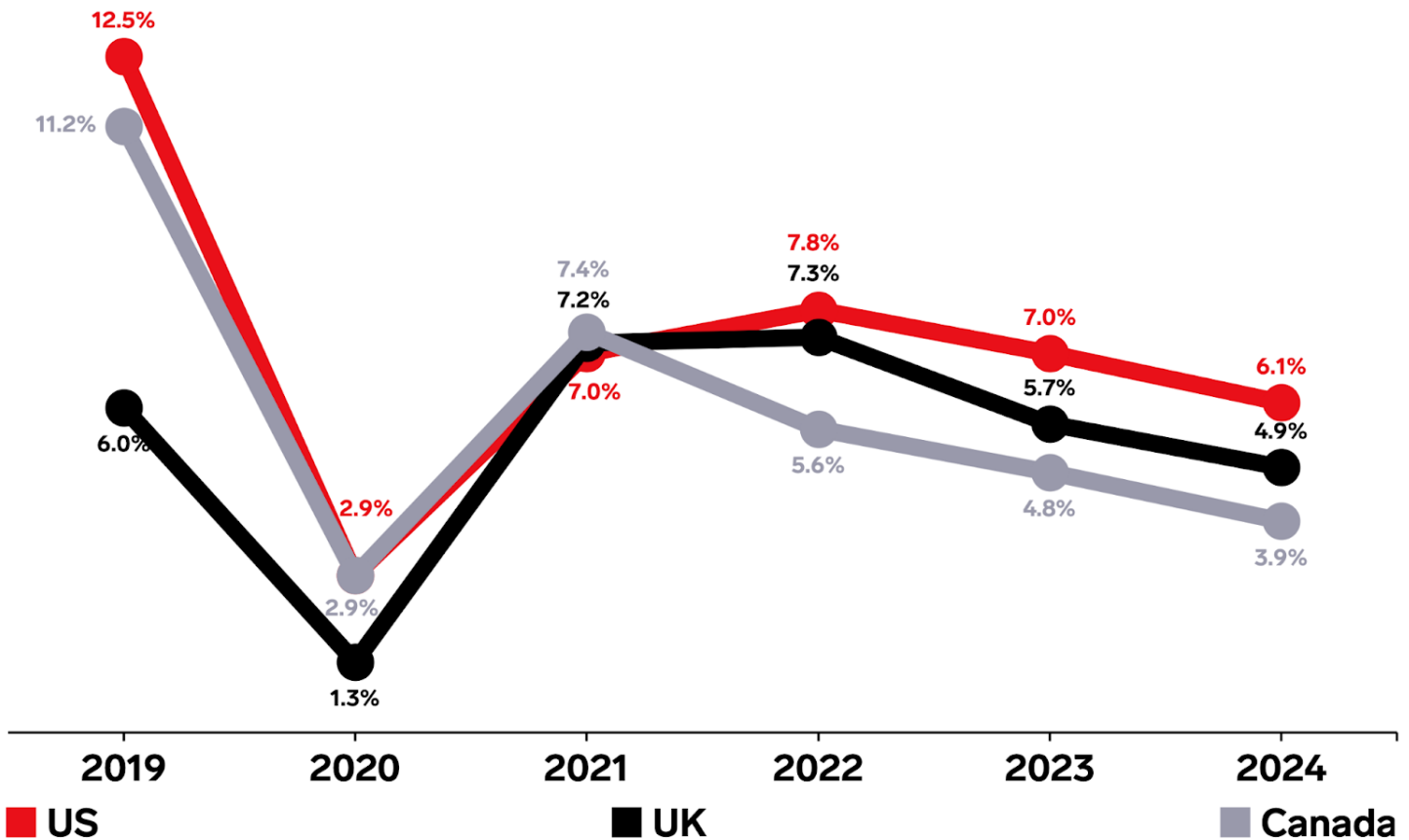
FintechOS has grown its client base rapidly since its 2017 launch thanks to its ability to unshackle FIs from restrictive legacy systems, helping them meet customer experience demands.

- **FintechOS grew its annual recurring revenue by [450%](#) during 2019 and is expected to have clocked similar levels of growth in [2020](#).** FIs' [reliance](#) on their legacy infrastructure hinders the velocity of product development because their systems implement upgrades more slowly than modern digital architecture. FintechOS' low-code approach lets FIs rapidly launch digital products that can be built on top of, or around, legacy systems.
- **The low-cost and self-service approach also lets FIs implement a [multispeed change approach](#) to overhauling their core systems.** While it is a strategic priority for incumbent FIs to overhaul their core systems, it is a [time-consuming and expensive process](#), and they face pressure to meet rising customer expectations concurrently. Thus, rolling out new digital products via FintechOS' [plug-and-play](#) framework—which requires little technical expertise to run and is cheaper than [building solutions](#) in-house—lets FIs meet customer demands while pressing on with modernizing their legacy infrastructure.

Incumbent insurers are funneling resources toward their digital transformations to meet multiple pressures, and this represents a lucrative opportunity for FintechOS. Despite large coronavirus-related payouts, insurers are still [forecast](#) to grow their tech spend in key global markets at a faster rate through 2024 than in 2020 as they digitize their entire businesses. FintechOS' solutions let insurers reduce the cost of maintaining their legacy systems—which constitutes some [70%](#) of their IT budgets—by creating [efficiencies](#) while also adding new prebuilt products like claims management solutions. Thus, we expect FintechOS will strike a host of new incumbent insurers as partners to drive further growth.

FORECAST: IT/Tech Spend Growth Rates of US, UK, and Canadian P&C Insurers

% change YoY, 2019-2024



Source: eMarketer, July 2020

Methodology: Estimates are based on the analysis of data from respective insurer corporate disclosures, reported and estimated non-interest expenses from major insurers, estimates from other research firms, historical trends, GDP trends, technology expense trends, and macro-level economic conditions.

1028636180906

eMarketer | InsiderIntelligence.com