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Not just a super-app: Paytm is now a group of synergistic fintech platforms

Paytm started as a digital wallet-based platform focused on mobile SIM top-ups and utility payments in 2010. However, in the last 4 years, Paytm has evolved into a comprehensive payments ecosystem. The digital wallet has evolved into a payments super-app including integration with mobile payments networks such as UPI. Paytm's business model is now a group of synergistic payments and fintech platforms that benefit from the strong customer acquisition channels of the super-app and merchant payments platform. The Paytm ecosystem (Exhibit 1 and Exhibit 2) covers payments (wallet / UPI), merchant acquiring, credit, savings, wealth management, and insurance.

Paytm has a ~350 Mn installed base, ~50 million active user base, and 20 Mn+ merchant base (includes online and offline merchants). It offers full-suite merchant acquiring solutions - QR codes, PoS solutions, and payments gateway. It also offers a point-of-sale sound-boxes (a speaker that announces payments received using Paytm). Merchants with a sound-box have shown higher engagement. It also offers Android-based smart-PoS terminals. The smart-PoS offers unified payments acceptance – cards, QR-based mobile payments on a single device and can also help with digital marketing, inventory management, etc. Paytm Payments Bank with ~ 60 Mn accounts is laying the foundation of an inclusive digital bank.

EXHIBIT 1: **Paytm's app franchise summarized**

Category	Offerings	Services
Payments	Consumer - Mobile Wallet	Allows users to make mobile-payments to merchants, and friends over Paytm's proprietary payment network, or over UPI
	Consumer - UPI	
	Consumer - Bill Pay/ Recharge	Allows users to pay utility bills, insurance premiums, recharge mobile, etc.
	Merchant - Offline Acquiring	Enables in-store and online digital payments acceptance for merchants
	Merchant - Online Acquiring	
Credit	Pay-Later	Paytm PostPaid - revolving credit line on Paytm App for eligible users
	Credit Cards	Co-branded cards by Paytm & SBI Cards
	Personal Loans	Co-originated personal loans for wallet users - Focus on New-to-cred/ Thin-file borrowers
	Merchant Credit	Loans to Paytm Merchants based on digital payments activity and vintage
Insurance	Insurance aggregator	Distribution platform for auto/ life/ medical/ micro-insurance policies
	Micro-insurance (WIP)	Announced it is acquiring a general insurer to launch its own micro-insurance (general insurance) business
Banking	Savings and Current A/C	Bank accounts for individuals, merchants, and businesses
	Deposits	Fixed deposits and recurring deposits for goal-based savings
	Money Transfers	One-time and automated money transfers/ payments
	Debit Card	Offers a debit card with attractive rewards
Wealth Advisory	Broking	New service, allows users to trade in stocks, derivatives, and IPO investing
	Mutual Funds/ ETFs	Distribution of direct mutual funds/ ETFs
	Digital Gold	Customers can buy dematerialized gold
	Retirement	Distribution of pension/ long-term goal-based saving products
	Tax savings	Distribution of tax-exemption savings instruments
Travel & Mobility	Flights	Travel aggregator platform owned by Paytm
	Bus Tickets	
	Train Tickets	
	Hotels	
	Ola Cabs	4-wheeler Ride-hailing (Partnership)
	Rapido	2-wheeler Ride-hailing (Partnership)
Events	Movie Tickets	Ticketing platform - movies
	Event Tickets	Event curation/ ticketing platform - workshops, comedy shows, e-learning, theatre, art, dance, etc.
Others	Gaming	Mobile-gaming platform developed by Paytm (Cards, Fantasy, etc.)
	Mini App-store	App store for empowering smaller merchants
	E-Commerce	Paytm Mall offers electronics, apparel, groceries, grooming, footwear, etc.

Source: Bernstein analysis