

India BFSI Research 2025

BFSI Attrition in India 2025

Analysis and future trends



Executive summary

~25%

Attrition flagged by RBI as operational risk in select private banks and SFBs

45%

Sector high — Five-Star Business Finance, highest disclosed rate in BFSI

4.97%

Sector low — South Indian Bank, proof that attrition is manageable not inevitable

Attrition in India's BFSI workforce eased from the post-pandemic spike but remained structurally elevated through FY2025. The problem is **compositional** — concentrated in early-career, target-linked, customer-facing roles.

Variance of this magnitude signals that firm-level choices in culture, compensation, and career architecture are **decisive**. Digitisation is bifurcating the labour market: fewer repetitive roles over time, but scarcer and increasingly mobile specialists.

Scope and methodology

Data sources

- FY2023–FY2025 annual reports and BRSR filings of listed Indian BFSI issuers
- Private banks, NBFCs, HFCs, and select insurers
- Weaker coverage for PSBs, unlisted intermediaries, and fintechs

Three working assumptions

- Attrition equals disclosed turnover rate
- Non-comparable data used directionally only
- Role and age patterns anchored to HDFC Bank FY2023 decomposition

Key constraints

- HDFC Life excludes frontline sales from disclosed metric
- ICICI Lombard reports dual metrics (overall vs ex-call-centre)
- One97 FY2025 figure of 97.47% includes entity transfers
- PSB voluntary attrition data remains sparse

Coverage note

Findings represent working estimates and directional ranges, not a national census. Treat all figures as illustrative unless sourced to a specific filing.

Current attrition levels

34%

Banking — private banks and SFBs remain under pressure. ICICI Bank 30.9%, HDFC Bank 34.15% (FY2023); Axis Bank 28.8% (FY2024). RBI flags ~25% as an ongoing operational-risk concern.

45%

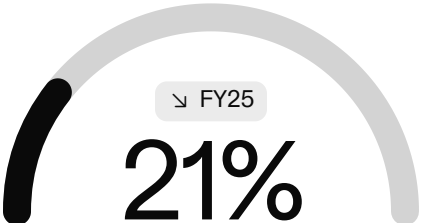
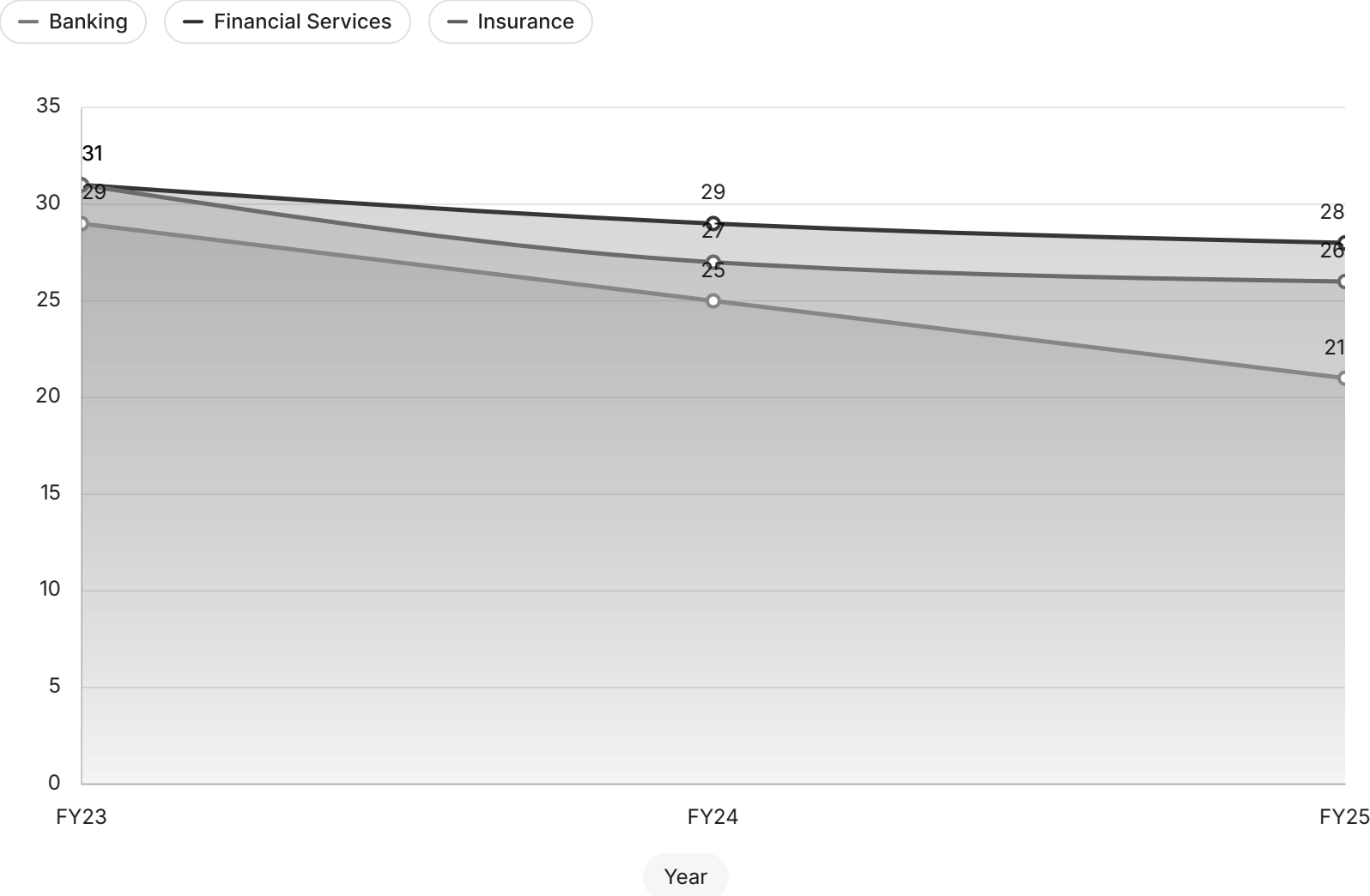
NBFCs & financial services — highest-churn segment. Five-Star Business Finance 45%, Bajaj Housing Finance 40%, Aptus Value Housing Finance 24%, Shriram Finance 23%.

32.5%

Insurance — improving but still elevated. ICICI Lombard fell from 41.5% (FY2023) to 32.5% (FY2025). IndiaFirst Life 45% (FY2023). HDFC Life excludes frontline sales from its disclosed metric.

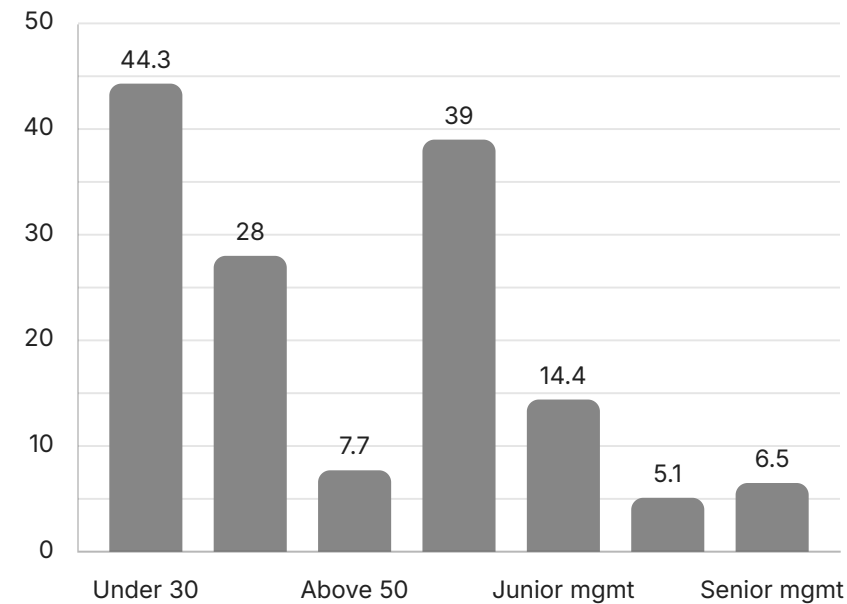
Attrition is declining — but unevenly

Indicative midpoints synthesized from issuer disclosures and RBI commentary — direction only, not an official series.

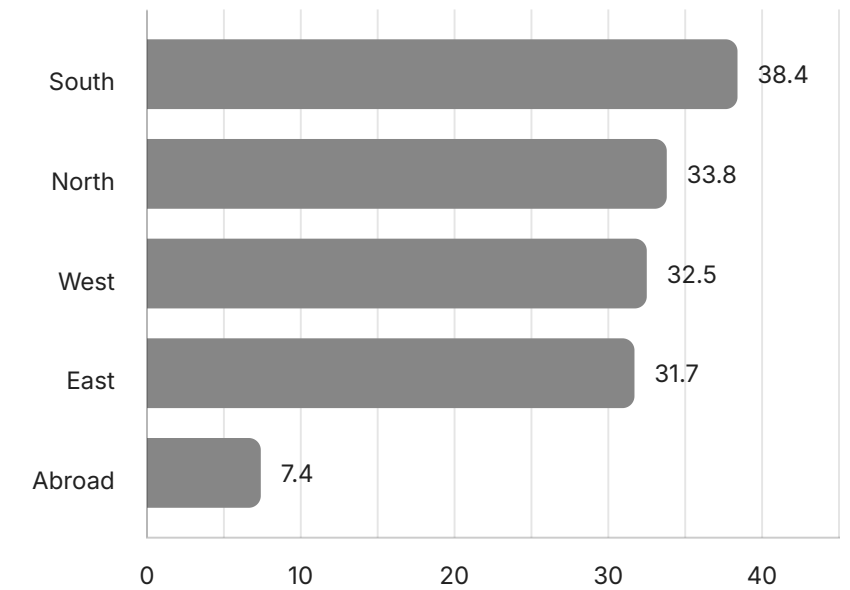


Demographics and geography


HDFC Bank FY2023: attrition by age group and staff level



HDFC Bank FY2023: attrition by region — South leads at 38.4%



Attrition is concentrated in young, customer-facing, target-driven roles. Gender gaps are sharper in field-led businesses: Bandhan Bank women 31.2% vs men 23.4%. Tier-II cities are expanding faster than metros, with BFSI as a key driver.



Compensation is only the visible part of the problem

01

Pay competition

India salary growth of ~9.2% in 2025 (Aon), yet BFSI attrition stays well above the 17.7% India-wide average in many institutions.

02

Career and manager quality

Under-30 and non-supervisory cohorts expect faster progression, clearer feedback, and more immediate reward.

03

Sales pressure and risk

RBI links ~25% attrition in select private banks to control lapses, misconduct, disclosure misses, and service errors.

04

Technology disruption

Digitisation raises premiums on analytics, cyber, fraud, model governance, and digital operations talent across BFSI.

Technology shift

Case studies across BFSI

Axis Bank

500 branches opened in FY2025 with only 121 net new hires — digitisation absorbing headcount growth via Project Thrive.

South Indian Bank

4.97% attrition in FY2025 — predictable appraisals, 100% career reviews, and 98% post-parental-leave retention.

Bajaj Housing

40% attrition despite strong HR hygiene — good practices are necessary but not sufficient in high-growth, sales-led lending.

ICICI Lombard

32.5% overall turnover, but 28.5% ex-call-centre — segment-level disclosure is the transparency benchmark for BFSI.

Fino / One97

CBS transformation and AI-led role redesign signal fintech retention must separate restructuring from genuine regretted exits.

Key insight

Technology reshapes where retention matters — it does not eliminate its importance across banking, insurance, or fintech.

Forecasts to 2030

2020–2022

Disruption begins

- Covid accelerates remote work and digital onboarding
- Branch productivity under acute pressure
- RBI announces NBFC scale-based regulation framework
- RBI issues digital lending guidelines

2023–2024

Regulation tightens

- RBI default loss guarantee guidelines issued
- IRDAI expands use-and-file reform scope
- RBI flags elevated attrition as operational risk
- NBFC governance and insurance oversight intensifies

2025–2026

AI and automation

- Branch-light operating models become mainstream
- AI hiring up 59.5% YoY — India leads globally
- Cyber, fraud, and model-risk talent in short supply
- Productivity gains from digitisation, not headcount

2027–2030

New equilibrium

- Human-capital disclosures standardised
- Tier-II and tier-III cities dominate net new hiring
- ~250,000 BFSI jobs added by 2030 (IBEF)
- Attrition stays above pre-digital norms long-term

Recommendations

Re-price frontline roles quarterly. Redesign onboarding for the first 180 days. Build internal mobility into analytics, collections, and branch leadership. Tie incentives to output and conduct quality.

Priority 1

Require comparable human-capital disclosure across banks, NBFCs, insurers, and fintechs. Separate employee attrition from agent churn. Monitor attrition alongside complaints and mis-selling.

Priority 2

Illustrative model for 5,000 employees at avg ₹12L CTC. A 2–3% payroll investment is defensible — true attrition cost includes vacancy, ramp-up, customer leakage, and control risk.

Priority 3

Thank you

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