

(15<sup>th</sup> December 2025)

## International

### Floods and landslides in Indonesia's Sumatra kill over one thousand people.

In Indonesia, devastating floods and landslides in the northwestern island of Sumatra have killed over 1,000 people over the past fortnight. More than 200 people are still missing, while over 5 thousand people have been injured. More than one lakh homes and structures have been destroyed following the disaster.

A rare and powerful cyclone was formed over the Malacca Strait, bringing heavy rainfall and triggering landslides in parts of Southeast Asian countries recently

### At least 12 killed in Sydney terror attack.

In Australia, at least 12 people, including one shooter, have been killed in an attack at Sydney's Bondi Beach, in what has been declared a terrorist incident. Twenty-nine people have been injured, including two police officers. Prime Minister Anthony Albanese called the incident both shocking and distressing.

### The Architects of AI Are *TIME*'s 2025 Person of the Year.

*Time* magazine has named the "Architects of AI" as its Person of the Year 2025, highlighting the US tech titans whose work on cutting-edge artificial intelligence is transforming humanity.

Nvidia boss Jensen Huang, Meta head Mark Zuckerberg, X owner Elon Musk, and AI "godmother" Fei-Fei Li are among those depicted on one of the magazine's two covers.

### The World Inequality Report 2026 highlights.

According to the latest World Inequality Report 2026, income inequality in India remains among the highest in the world, with the top 10 per cent of earners capturing 58 per cent of national income, while the bottom 50 per cent receive only 15 per cent.

Wealth inequality is even greater in India, with the richest 10 per cent holding around 65 per cent of total wealth and the top 1 per cent holding about 40 per cent.

Average annual income per capita is around 6,200 euros (PPP), and average wealth stands at about 28,000 euros (PPP). Female labour participation remains very low at 15.7%, showing no improvement over the past decade.

Globally, wealth has reached historic highs but remains very unevenly distributed, with the top 0.001 per cent, comprising fewer than 60,000 multi-millionaires, owning three times more wealth than the entire bottom half of humanity.

The World Inequality Report 2026 is based on the work of over 200 scholars across the world, affiliated with the World Inequality Lab.

## National

### Raj Kumar Goyal takes oath as Chief Information Commissioner.

Former IAS officer Raj Kumar Goyal was sworn in as the Chief Information Commissioner (CIC) by President Droupadi Murmu. Goyal was selected as the CIC by a panel led by Prime Minister Narendra Modi, comprising Home Minister Amit Shah and Leader of the Opposition in the Lok Sabha Rahul Gandhi. Rahul gave a dissent note.

Goyal is a retired IAS officer of the Arunachal Pradesh-Goa-Mizoram-Union Territories (AGMUT) cadre of the 1990 batch.

### VP CP Radhakrishnan releases stamp honouring Emperor Perumbidugu Mutharaiyar.

Vice-President C P Radhakrishnan has released a commemorative postage stamp in honour of Emperor Perumbidugu Mutharaiyar II Suvaran Maran in New Delhi. He noted that the Emperor ruled from Tiruchirappalli for nearly four

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decades and that his reign was marked by administrative stability, territorial expansion, cultural patronage, and military prowess.

## **Atal Innovation Mission, NITI Aayog, and HUL partner to accelerate transition to circular economy.**

NITI Aayog's Atal Innovation Mission (AIM) has partnered with Hindustan Unilever Limited (HUL) to launch a nationwide start-up acceleration programme aimed at promoting a circular economy in India. As part of HUL's flagship Project Circular Bharat, the programme will identify and support 50 high-potential start-ups over the next three years, focusing on innovative solutions for plastic recycling, reuse, refill models, and next-generation packaging materials. It will also support start-ups tackling material recovery in other post-consumer waste streams, such as textiles and e-waste.

Selected start-ups will receive mentorship from business leaders, policy experts, and investors, along with opportunities for grant funding and pilot projects to test their solutions in fundamental markets.

## **Business and Economy**

### **Banks advised to link MSME loans to external benchmark by RBI.**

The Reserve Bank of India has directed banks to link MSME loans to an external benchmark with a three-month reset clause to improve monetary policy transmission. Existing borrowers can switch to this regime under mutually agreed terms. Further, to make the benefit of the external benchmark-based interest regime available to existing borrowers, banks have been advised to provide a switchover option as per mutually agreed terms.

The Central government already implements Quality Control Orders (QCOs) with exemptions and relaxations for

MSMEs to ensure no disruption of domestic production.

### **Agentic AI transforms banks frontline sales, boosts productivity and revenue: McKinsey report.**

According to a McKinsey report, agentic artificial intelligence (AI) systems are rapidly reshaping how banks manage frontline sales, offering a potential breakthrough for relationship managers long burdened by inefficient systems, weak leads, and heavy administrative workloads. In frontline sales, the potential is vast. Agentic AI makes it possible to automate the complex workflows characteristic of financial services. At leading global banks, agentic AI is already being deployed across prospecting, lead nurturing and account management, delivering measurable gains in productivity and revenue within months.

### **RBI issues final guidelines on transaction accounts.**

The Reserve Bank of India (RBI) has released the final set of guidelines governing transaction accounts across banks and regulated entities.

The seven draft directions—covering commercial banks, small finance banks, payments banks, local area banks, regional rural banks, urban co-operative banks and rural co-operative banks—had proposed a rationalised, principle-based framework for opening and operating cash credit (CC), current and overdraft accounts. The revised transaction account directions will take effect from April 1, 2026, although banks may adopt them earlier.

One of the most significant changes is the removal of restrictions on cash credit accounts. Banks had warned that treating CC accounts on par with current and overdraft accounts could constrain working capital flows. Acknowledging the distinct nature of CC facilities, the RBI has excluded them from the transaction account restrictions.

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The earlier proposal limiting borrowers with banking exposure of Rs 10 crore or more to not more than two operative transaction accounts has also been eased. Under the revised norms, any lending bank with more than 10 per cent exposure may open a current or overdraft account.

## **India's banking sector hits 20-year NPA low.**

India's banking sector has entered its most stable phase in two decades, with Non-Performing Assets (NPAs) falling sharply and profitability reaching record levels. Gross NPAs dropped to 2.31% by March 2025, the lowest in 20 years, compared with a peak of 11.46% in 2018. Net NPAs also declined to 0.52%, reflecting stronger provisioning and tighter risk controls. Public Sector Banks (PSBs) continued this trend, bringing GNPA down from 9.11% in 2021 to 2.58% in 2025.

Banking activity expanded significantly over the decade. Domestic deposits nearly tripled, rising from ₹88.35 lakh crore in 2015 to ₹231.90 lakh crore in 2025. Credit also tripled, growing from ₹66.91 lakh crore to ₹181.34 lakh crore in the same period.

Capital buffers strengthened, with CRAR improving from 12.94% in 2015 to 17.36% in 2025, alongside a higher CET-1 ratio of 14.81%.

Profitability saw its sixth straight year of growth. PSB profits rose from ₹1.05 lakh crore in FY 2022–23 to ₹1.78 lakh crore in FY 2024–25.

Scheduled commercial banks (SCBs) posted their highest ever earnings of ₹4.01 lakh crore in FY 2024–25, with another ₹1.02 lakh crore in just the first quarter of FY26.

Returns also strengthened, with RoA at 1.37% and RoE at 14.1%.

The turnaround is due to the effort of a decade of structural reforms. These include the Asset Quality Review (2015), the Government's 4R strategy, the Insolvency

and Bankruptcy Code (2016), consolidation of PSBs, and strengthened recovery laws like SARFAESI and DRT amendments. The RBI's proposed Expected Credit Loss (ECL) framework (2025) is expected to further modernize risk assessment.

With stronger balance sheets, banks are now focusing on sustained growth. Priorities include deeper deposit mobilization, expansion in corporate lending, greater green financing, and wider financial inclusion through schemes such as PM MUDRA, PM Vishwakarma and Kisan Credit Card (KCC).

## **NABARD survey shows broad-based rural demand revival, rising incomes.**

The Ministry of Finance said that the latest NABARD Rural Economic Conditions and Sentiments Survey shows a strong and broad-based revival in rural demand. The eighth round of the survey indicates rising incomes and improved household well-being over the past year.

As per the survey, 80 per cent of rural households have reported higher consumption compared to last year. The survey also shows that 67.3 per cent of monthly income is now spent on consumption, the highest share since the survey began. The survey shows that 42.2 per cent of rural households experienced income growth.

NABARD conducts this survey every two months across the country. It captures key indicators such as income, consumption, inflation, credit and investment, along with household perceptions about the economic outlook.

## **Sports**

### **India wins Squash World Cup 2025.**

India defeated the top-seeded Hong Kong to win the Squash World Cup 2025 for the first time. India crushed Hong Kong 3-0 in the summit clash in Chennai.

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Joshna Chinappa gave India a winning start after she defeated world-ranked 37 Lee Ka Yi 3-1, while Abhay Singh thrashed Alex Lau 3-nil. Anahat Singh went on to wrap up the game in India's favour, defeating Tomato Ho 3-nil.

### **India beat South Africa by seven wickets in the third T20.**

India defeated South Africa by seven wickets in the third T20I of the five-match series at the Himachal Pradesh Cricket Association Stadium in Dharamsala. Chasing a target of 118 runs set by South Africa, India scored 120 for three in 15.5 overs.

Earlier, India won the toss and elected to take the field. Batting first, South Africa were all out for 117 in the stipulated 20 overs.

### **Odisha Masters: Unnati Hooda, Kiran George clinch singles titles.**

Top shuttlers Unnati Hooda and Kiran George have won the women's and men's singles titles, respectively, in the Odisha

Masters Super 100 tournament in Cuttack. Hooda defeated compatriot Isharani Baruah 21-17, 21-10 in just over half an hour.

In the men's singles final, second seed George prevailed over Indonesia's Muhamad Yusuf 21-14, 13-21, 21-16 in a hard-fought battle that lasted 65 minutes.

### **Golf: Karandeep Kochhar secures maiden title on IGPL Tour.**

Karandeep Kochhar has shot a third straight 3-under 69 to end his wait for a maiden title on the IGPL Tour with a hard-earned victory at the IGPL Invitational UAE. Kochhar pipped young Veer Ganapathy and Pukhraj Singh to the post at the Els Club in Dubai at the Shiv Kapur-hosted event, the tenth IGPL meet of the inaugural season.