


# Basel III Endgame to Drive RWA Inflation, Pose Challenges for U.S. GSIBs

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Executive Summary:



2023 may have initiated  
a trend reversal wherein  
**RWA productivity**  
**diminishes** going forward,  
ultimately hurting banks'  
ROE aspirations

Known as the Basel III endgame, U.S. banking regulators in July 2023 proposed a set of amendments to capital rules governing financial institutions with >\$100 billion in assets. With the current “comment period” window now closed, the industry eagerly awaits regulatory response—the first of which emerged recently when Federal Reserve chair Jerome Powell said the Fed is likely to make “broad and material changes” to the proposals.

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