

For the First Time Ever, Profits of all Wall Street Banks Top \$100 Billion

JPMorgan, Bank of America, Wells Fargo, Citigroup, and Goldman Sachs reported more than \$111 billion of profit for 2018 due to the Fed's payment of interest on reserves, rising interest rates, a jump in deal making, a retail-banking boom, and Trump's tax cuts, [Banking is an amazing business. It collects interest by loaning money created out of nothing, when it hits hard times it is bailed out with tax dollars, and when it is riding high, it enjoys incredible tax breaks. It loans money to governments, but it's the taxpayers who guarantee repayment and pay the interest. And since he who pays the piper calls the tune, it controls governments instead of governments controlling the banks. Yes, a very amazing business.] -GEG

One may not know it by looking at banker bonuses last year, but 2018

was a banner year if only for bank shareholders and upper management: this is the year when the 6 biggest banks generated (well) over \$100 billion in profit.

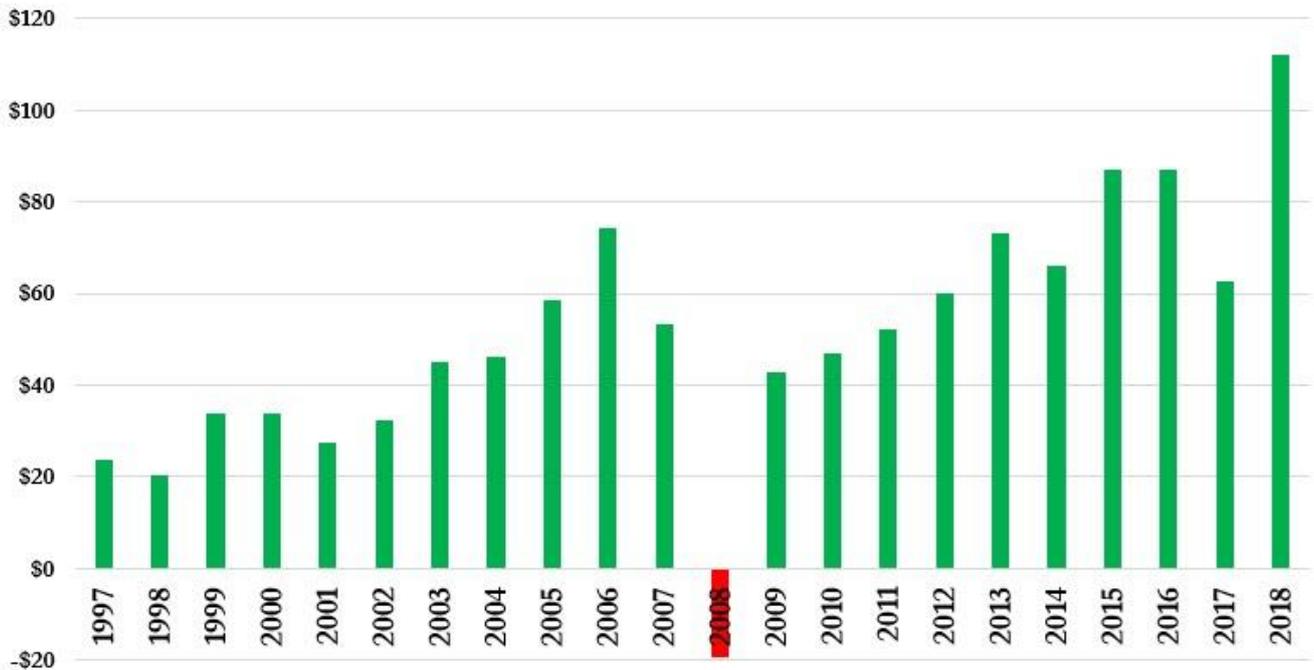
They can thank Trump's tax cuts, the Fed's payment of interest on

reserves, rising interest rates, a jump in dealmaking and a retail-banking boom (if not so much the "bad volatility" that

resulted

in a plunge in fixed income, currency and commodity trading fees).

Big 5 US Banks Annual Profit (\$bn)



As Bloomberg first noted, JPMorgan, Bank of America, Wells Fargo and their peers have already reported more than \$111 billion of profit for 2018, and Morgan Stanley will complete the money-center picture tomorrow when it releases its fourth-quarter results Thursday and only makes this number bigger.

While JPMorgan and Bank of America both had record years, Goldman and Citigroup had their biggest annual profits since the financial crisis.

The staggering profits, coupled with upbeat commentary about 2019 may ease fears that rate hikes and trade wars will bring an end to good times for the biggest banks.

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