

PRODUCED PROFITS vs FICTITIOUS PROFITS.

This article was made possible by the earnings reports of non-financial and financial corporations issued last week.

In the two tables below, I have reproduced both the revenue and income for the *Magnificent 7* group of Hi-Tech companies and compared them to the results from the biggest seven banks in the USA. All data is drawn from their Third Quarter 2025 earnings reports. In the case of the Magnificent 7 I have used operating income as this excludes financial profits. In the case of the banks, it is net income before taxes as there is no operating income simply revenue minus expenses yielding net income.

All figures are in millions of Dollars.

Table 1. (MAG 7)

CORPORATION	Revenue 24/3	Revenue 25/3	Difference	Operating Income 24/3	Operating Income 25/3	Difference
Apple	94,930	102,466	7.94%	29,591	32,427	9.58%
Microsoft	64,700	76,400	18.1%	27,900	34,300	22.94%
Alphabet	88,268	102,346	15.95%	28,521	31,228	9.5%
Nvidia	30,040	40,743	35.6%	18,642	28,440	52.6%
Amazon	158,878	180,169	13.4%	17,411	17,422	0.0%*
Meta	40,589	51,242	26.2%	17,350	20,535	18.4%
Broadcom	13,072	15,952	22.0%	5,887	5,892	0.0%
TOTALS	490,477	569,318	16.1%	145,302	170,244	17.7%
ANNUALISED	1,961,908	2,277,272		581,204	680,976	
O.I./revenue				40.0%	29.9%**	

(*Amazon had impairment charges amounting to \$4.2 billion, and were this to be added in, the **O.I./revenue in Q3 2025 would have risen to 30.6% from 29.9%.)

Table 2. (Largest Banks)

CORPORATION	Revenue 24/3	Revenue 25/3	Difference	Net Income pre-tax 24/3	Net Income pre-tax 25/3	Difference
JP Morgan	42,654	46,247	8.4%	12,898	14,393	11.6%
BofA	25,300	28,100	11.1%	7,300	9,500	30.1%
CITI	20,209	21,668	7.2%	4,390	5,350	21.9%
Wells Fargo	20,366	21,436	5.3%	1,924	2,185	13.6%
Bancorp	6,864	7,329	6.8%	2,660	3,132	17.7%
Morgan Stanley	15,383	18,224	18.5%	4,221	6,028	42.8%
Goldman Sachs	12,699	15,184	19.6%	3,987	5,392	35.2%
TOTALS	143,475	158,188	10.3%	37,380	45,980	23.0%
ANNUALISED	573,900	632,752		149,520	183,920	
N.I./revenue				26.1%	29.1%	

Table 2 needs further elaboration. The first five banks are the general banks where income is derived from both regular lending and fictitious trading. The ratio of fictitious trading income is about 45% of the total and the growth rate of fictitious trading mimics that of Morgan Stanley and Goldman Sachs, therefore higher than the growth rate of the *MAG 7*. (In fact, the growth rate from normal banking, that is loans given and deposits taken, is negligible, showing the real economy is in stagnation.) In the case of the investment banks there is some genuine lending as well as fictitious trading, likely in the range of 10% Collectively that means fictitious gains in the banking sector is around \$25 billion quarterly or \$100 billion annually, or 15% when compared to the produced profits in the *MAG 7*.

Let's now see how this income data relates to total financial and non-financial profits. As most, but not all financial and speculative profits are made in the US, let us assume all the \$183.9 billion was earned there. In Q2 2025 according to NIPA Table 1.14 total pre-tax unadjusted financial profits came to \$858.6 billion. This means that over 21% of total financial corporate profits were earned by these 7 banks.

What about non-financial profits. As expected, non-financial profits are many orders of magnitude larger amounting to \$2696.1 billion. Unlike the banks, only about 60% of MAG 7 profits are generated in the USA, or about \$410 billion. This works out at 15% of total non-financial corporate profits. So, despite the scale of monopoly profits, the MAG 7's share of profit is less centralised compared to the banking sector, which is obviously the case given there are only about 4,500 bank corporations including savings and loan institutions, while there are over 33 million non-financial businesses incorporated, though many are shell companies.

More interestingly how do non-financial profits relate to bonuses. According to the [Office of the New York State Comptroller](#) total bank bonuses paid out in Wall Street and other New York districts amounted to \$47.5 billion in 2024 equivalent to an average of just under \$245,000 per entitled banker. Clearly New York is not the only area where bonuses are paid, but it's the major centre. Now, mark. This \$47.5 billion is under half the annual profits made by just one of the largest MAG 7 corporations. Apple, Microsoft, Alphabet each made twice as much in profit while Meta and Nvidia made 50% more profit in 2024 than were paid out in bonuses. Collectively the handful of most profitable corporations made over ten times more profit as was paid out in bonuses in 2024 in the New York area.

In the interest of full disclosure we should also note that the net surplus generated by corporations both financial and non-financial is only half of the net surplus found in the economy as a whole according to [NIPA Table 1.10](#). Some of the 50% balance will contain an element of income derived from capital gains. [This study puts it equal to](#) 20% of national income on average or \$4.9 trillion. Most of that would end up in private pockets rather than in the banks themselves. That figure is roughly the same as gross profits before the deduction of rents, interest and taxes. There is one qualification, only a small portion of those capital gains are cashed in each year, about one fifth according to the authors and some of those gains are attributed to owner occupier property appreciation. Thus, the effect is much smaller than the \$4.9 trillion would suggest with the likely effect being around \$1 trillion p.a..

Conclusion.

This gives some perspective to those who claim that fictitious profits submerge real profits or what is the same thing; the surplus value produced and realized in production and commerce, or what is the same thing, that element of value unpaid. In many ways fictitious profits is a large planter's wart growing on the sole of production which occasionally becomes so large it makes walking or reproduction impossible. This what is happening now as the derivative market with its leverage, much of it obscured by private banking, causes production to limp into recession or worse, just as at the same time falling profits makes its steps smaller and smaller. At the end of the cycle or day, what really triggers everything by its magnitude is the production of surplus value, which during periods of expansion supports speculation by its direction, but when it contracts, swipes the casino-chips from the table, and what was supportable before, now collapses.

Brian Green, 5th November 2025.