

FORM  
X-17A-5

FOCUS REPORT  
(FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT)  
PART II CSE  11

(Please read instructions before preparing Form)

This report is being filed pursuant to (Check Applicable Block(s)):

- 1) Rule 17a-5(a)  16
- 2) Rule 17a-5(b)  17
- 3) Rule 17a-11  18
- 4) Special request by designated examining authority  19
- 5) Other  26

NAME OF BROKER-DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED  13

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do not use P.O. Box No.)

ONE BRYANT PARK  20

(No. and Street)

NEWYORK  21 NY  22 10036  23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-07221  14

FIRM ID NO.

7691  15

FOR PERIOD BEGINNING (MM/DD/YY)

07/01/18  24

AND ENDING (MM/DD/YY)

09/30/18  25

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT (Area code) - Telephone No.

Lizbeth Applebaum  30

(212)449-4414  31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT

OFFICIAL USE

32

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DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS ? YES  40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

EXECUTION:

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Manual Signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

ATTENTION - Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 78:f (a) )

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

2018-10-24 04:37PM EDT  
Status: Accepted

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	N2										

STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 09/30/18 [99]

SEC FILE NO. 8-07221 [98]

Consolidated  [198]

Unconsolidated  [199]

	<u>ASSETS</u>			
	<u>Allowable</u>		<u>Nonallowable</u>	<u>Total</u>
1. Cash . . . . .	\$ 1,819,211,637	[200]		\$ 1,819,211,637 [750]
2. Cash segregated in compliance with federal and other regulations . . . . .	6,337,522,928	[210]		6,337,522,928 [760]
3. Receivable from brokers or dealers and clearing organizations:				
A. Failed to deliver:				
1. Includable in "Formula for Reserve Requirements" . . . . .	1,025,950,788	[220]		
2. Other . . . . .	1,613,153,040	[230]		2,639,103,828 [770]
B. Securities borrowed:				
1. Includable in "Formula for Reserve Requirements" . . . . .	14,574,541,556	[240]		
2. Other . . . . .	69,654,451,703	[250]		84,228,993,259 [780]
C. Omnibus accounts:				
1. Includable in "Formula for Reserve Requirements" . . . . .	0	[260]		
2. Other . . . . .	2,226,470,871	[270]		2,226,470,871 [790]
D. Clearing Organizations:				
1. Includable in "Formula for Reserve Requirements" . . . . .	0	[280]		
2. Other . . . . .	15,032,695,394	[290]		15,032,695,394 [800]
E. Other . . . . .	637,866,799	[300]	\$ 245,872,214 [550]	883,739,013 [810]
4. Receivables from customers:				
A. Securities accounts:				
1. Cash and fully secured accounts . . . . .	8,402,274,704	[310]		
2. Partly secured accounts . . . . .	0	[320]	20,411,881 [560]	
3. Unsecured Accounts . . . . .			59,897,289 [570]	
B. Commodity accounts . . . . .	302,346,950	[330]	79,924 [580]	
C. Allowance for doubtful accounts . . . . .	( 0 )	[335]	( 782,342 ) [590]	8,784,228,406 [820]
5. Receivables from non-customers:				
A. Cash and fully secured accounts . . . . .	95,206,888	[340]		
B. Partly secured and unsecured accounts . . . . .	0	[350]	0 [600]	95,206,888 [830]
6. Securities purchased under agreements to resell . . . . .	79,640,982,254	[360]	0 [605]	79,640,982,254 [840]
7. Derivative Receivables: . . . . .	1,073,945,974	[291]		1,073,945,974 [801]
8. Trade Date Receivable: . . . . .	0	[292]		0 [802]
9. Securities and spot commodities owned, at market value:	71,296,558,709	[849]		71,296,558,709 [850]
Includes encumbered securities of . . . . . \$ 19,152,692,404	[120]			

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

2018-10-24 04:37PM EDT  
Status: Accepted

BROKER OR DEALER	as of <u>09/30/18</u>
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

STATEMENT OF FINANCIAL CONDITION

	ASSETS (continued)		
	Allowable	Nonallowable	Total
10. Securities owned not readily marketable:			
A. At Cost . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">130</span> \$	0 <span style="border: 1px solid black; padding: 0 2px;">440</span> \$	5,039,725,403 <span style="border: 1px solid black; padding: 0 2px;">610</span> \$
11. Other investments not readily marketable:			
A. At Cost . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">140</span>		
B. At estimated fair value . . . . .	0 <span style="border: 1px solid black; padding: 0 2px;">450</span>	47,103,110 <span style="border: 1px solid black; padding: 0 2px;">620</span>	47,103,110 <span style="border: 1px solid black; padding: 0 2px;">870</span>
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">150</span>		
B. Other . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">160</span>	0 <span style="border: 1px solid black; padding: 0 2px;">630</span>	0 <span style="border: 1px solid black; padding: 0 2px;">880</span>
13. Secured demand notes- market value of collateral:			
A. Exempted securities . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">170</span>		
B. Other . . . . . \$	0 <span style="border: 1px solid black; padding: 0 2px;">180</span>	0 <span style="border: 1px solid black; padding: 0 2px;">640</span>	0 <span style="border: 1px solid black; padding: 0 2px;">890</span>
14. Memberships in exchanges:			
A. Owned, at market value . . . . . \$	6,025,170 <span style="border: 1px solid black; padding: 0 2px;">190</span>		
B. Owned at cost . . . . .		0 <span style="border: 1px solid black; padding: 0 2px;">650</span>	
C. Contributed for use of company, at market value . . . . .		0 <span style="border: 1px solid black; padding: 0 2px;">660</span>	0 <span style="border: 1px solid black; padding: 0 2px;">900</span>
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships . . . . .	0 <span style="border: 1px solid black; padding: 0 2px;">480</span>	3,953,762,171 <span style="border: 1px solid black; padding: 0 2px;">670</span>	3,953,762,171 <span style="border: 1px solid black; padding: 0 2px;">910</span>
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization) . . . . .	0 <span style="border: 1px solid black; padding: 0 2px;">490</span>	249,340,809 <span style="border: 1px solid black; padding: 0 2px;">680</span>	249,340,809 <span style="border: 1px solid black; padding: 0 2px;">920</span>
17. Other Assets:			
A. Dividends and interest receivable . . . . .	799,892,768 <span style="border: 1px solid black; padding: 0 2px;">500</span>	9,425,908 <span style="border: 1px solid black; padding: 0 2px;">690</span>	
B. Free shipments . . . . .	12,476,172 <span style="border: 1px solid black; padding: 0 2px;">510</span>	5,174,217 <span style="border: 1px solid black; padding: 0 2px;">700</span>	
C. Loans and advances . . . . .	0 <span style="border: 1px solid black; padding: 0 2px;">520</span>	0 <span style="border: 1px solid black; padding: 0 2px;">710</span>	
D. Miscellaneous . . . . .	100,186,832 <span style="border: 1px solid black; padding: 0 2px;">530</span>	6,457,799,416 <span style="border: 1px solid black; padding: 0 2px;">720</span>	
E. Collateral accepted under SFAS 140 . . . . .	20,106,010,522 <span style="border: 1px solid black; padding: 0 2px;">536</span>		
F. SPE Assets . . . . .	0 <span style="border: 1px solid black; padding: 0 2px;">537</span>		27,490,965,835 <span style="border: 1px solid black; padding: 0 2px;">930</span>
18. TOTAL ASSETS . . . . . \$	294,751,746,489 <span style="border: 1px solid black; padding: 0 2px;">540</span> \$	16,087,810,000 <span style="border: 1px solid black; padding: 0 2px;">740</span> \$	310,839,556,489 <span style="border: 1px solid black; padding: 0 2px;">940</span>

BROKER OR DEALER	as of <u>09/30/18</u>
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements" .....	\$ 318 1460
B. Other .....	0 1470
20. Securities sold under repurchase agreements.	111,661,385,883 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements" .....	779,968,641 1490
2. Other .....	1,710,537,384 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements" .....	4,435,690,536 1510
2. Other .....	34,766,103,605 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements" .....	16,462,299,771 1530
2. Other .....	60,339 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements" .....	0 1550
2. Other .....	1,861,206,639 1560
E. Other .....	1,498,079,938 1570
22. Payable to customers:	
A. Securities accounts - including free credits of . . . . . \$ 11,868,189,968 950	17,939,941,138 1580
B. Commodities accounts .....	16,546,267,774 1590
23. Payable to non customers:	
A. Securities accounts .....	0 1600
B. Commodities accounts .....	1,679,673,912 1610
24. Derivative Payables: .....	450,032,941 1561
25. Trade Date Payable: .....	2,052,968,145 1562
26. Securities sold not yet purchased at market value - including arbitrage of . . . . . \$ 1,115,627,635 960	24,966,861,487 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable .....	431,455,470 1630
B. Accounts payable .....	14,309,621,960 1640
C. Income taxes payable .....	0 1650
D. Deferred income taxes .....	0 1660
E. Accrued expenses and other liabilities . .	2,453,039,061 1670
F. Other .....	0 1680
G. Obligation to return securities .....	23,963,346,958 1686
H. SPE Liabilities .....	0 1687

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>09/30/18</u>
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STATEMENT OF FINANCIAL CONDITION  
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>		<u>Total</u>
28. Notes and mortgages payable:		
A. Unsecured .....	\$	0 <span style="border: 1px solid black; padding: 0 5px;">1690</span>
B. Secured .....		0 <span style="border: 1px solid black; padding: 0 5px;">1700</span>
29. Liabilities subordinated to claims of general creditors:		
A. Cash borrowings: .....		12,078,000,000 <span style="border: 1px solid black; padding: 0 5px;">1710</span>
1. from outsiders \$ .....	0	<span style="border: 1px solid black; padding: 0 5px;">970</span>
2. Includes equity subordination(15c3-1(d)) of .....	\$ 5,858,000,000	<span style="border: 1px solid black; padding: 0 5px;">980</span>
B. Securities borrowings, at market value: .....		0 <span style="border: 1px solid black; padding: 0 5px;">1720</span>
from outsiders \$ .....	0	<span style="border: 1px solid black; padding: 0 5px;">990</span>
C. Pursuant to secured demand note collateral agreements: .....		0 <span style="border: 1px solid black; padding: 0 5px;">1730</span>
1. from outsiders \$ .....	0	<span style="border: 1px solid black; padding: 0 5px;">1000</span>
2. Includes equity subordination(15c3-1(d)) of .....	\$	0 <span style="border: 1px solid black; padding: 0 5px;">1010</span>
D. Exchange memberships contributed for use of company, at market value .....		0 <span style="border: 1px solid black; padding: 0 5px;">1740</span>
E. Accounts and other borrowings not qualified for net capital purposes .....		0 <span style="border: 1px solid black; padding: 0 5px;">1750</span>
30. TOTAL LIABILITIES .....	\$	290,046,541,900 <span style="border: 1px solid black; padding: 0 5px;">1760</span>
<u>Ownership Equity</u>		
31. Sole proprietorship .....	\$	0 <span style="border: 1px solid black; padding: 0 5px;">1770</span>
32. Partnership - limited partners .....	\$	0 <span style="border: 1px solid black; padding: 0 5px;">1020</span> <span style="border: 1px solid black; padding: 0 5px;">1780</span>
33. Corporation: .....		
A. Preferred stock .....		0 <span style="border: 1px solid black; padding: 0 5px;">1791</span>
B. Common stock .....		1,000 <span style="border: 1px solid black; padding: 0 5px;">1792</span>
C. Additional paid- in capital .....		11,025,261,009 <span style="border: 1px solid black; padding: 0 5px;">1793</span>
D. Retained Earnings .....		9,767,752,580 <span style="border: 1px solid black; padding: 0 5px;">1794</span>
E. Total .....		20,793,014,589 <span style="border: 1px solid black; padding: 0 5px;">1795</span>
F. Less capital stock in treasury .....	(	0 <span style="border: 1px solid black; padding: 0 5px;">1796</span> )
34. TOTAL OWNERSHIP EQUITY .....	\$	20,793,014,589 <span style="border: 1px solid black; padding: 0 5px;">1800</span>
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY .....	\$	310,839,556,489 <span style="border: 1px solid black; padding: 0 5px;">1810</span>

OMIT PENNIES

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/18

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	20,793,014,589	3480
2. Deduct: Ownership equity not allowable for Net Capital	(	0	3490
3. Total ownership equity qualified for Net Capital		20,793,014,589	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		12,078,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	32,871,014,589	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	16,087,810,000	3540
1. Additional charges for customers' and non-customers' security accounts		25,294,399	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		46,809,704	3570
1. number of items		905	3450
C. Aged short security differences-less reserve of	\$	0	3460
number of items		0	3470
D. Secured demand note deficiency		0	3590
E. Commodity futures contracts and spot commodities - proprietary capital charges		0	3600
F. Other deductions and/or charges		911,753,999	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)		0	3615
H. Total deductions and/or charges	(	17,071,668,102	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	15,799,346,487	3640
9. Total Market Risk Exposure	\$	1,721,620,713	3635
10. Total Credit Risk Exposure	\$	179,290	3679
11. Net Capital	\$	14,077,546,484	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART II CSE

2018-10-24 04:37PM EDT  
Status: Accepted

BROKER OR DEALER  
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/18

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

12. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	1,876,656,912	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	569,134,516	3880
14. Net capital requirement (greater of line 12 or 13)	\$	1,876,656,912	3760
15. Excess net capital (line 11 less 14)	\$	12,200,889,572	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	41.26	3851
17. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 11 less Item 4880 page 19 divided by line 18 page 10)	%	41.26	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	12,089,271,850	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	18.92	3860
20. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%	0.00	3852