SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended June 27, 2003

Commission File Number 1-7182

MERRILL LYNCH & CO., INC.
- --
(Exact name of registrant as specified in its charter)

Delaware 13-2740599
- --
(State of incorporation) (I.R.S. Employer Identification No.)

4 World Financial Center
New York, New York 10080
- --
(Address of principal executive offices) (Zip Code)

(212) 449-1000
- --
Registrant's telephone number, including area code

- --
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X NO ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).

YES X NO ___

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

935,038,958 shares of Common Stock and 3,113,596 Exchangeable Shares as of the close of business on August 1, 2003. The Exchangeable Shares, which were issued by Merrill Lynch & Co., Canada Ltd. in connection with the merger with Midland Walwyn Inc., are exchangeable at any time into Common Stock on a one-for-one basis and entitle holders to dividend, voting, and other rights equivalent to Common Stock.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<TABLE>
<CAPTION>

	For the Three Months Ended		
	June 27,	June 28,	Percent
(in millions, except per share amounts)	2003	2002	Inc. (Dec.)
<S>	<C>	<C>	<C>

NET REVENUES			
Commissions	$1,044	$1,212	(13.9)%
Principal transactions	1,100	728	51.1
Investment banking			
Underwriting	565	501	12.8
Strategic advisory	133	194	(31.4)
Asset management and portfolio service fees	1,154	1,298	(11.1)
Other	271	219	23.7
Subtotal	4,267	4,152	2.8
Interest and dividend revenues	3,028	3,198	(5.3)
Less interest expense	1,976	2,399	(17.6)
Net interest profit	1,052	799	31.7
TOTAL NET REVENUES	5,319	4,951	7.4
NON-INTEREST EXPENSES			
Compensation and benefits	2,678	2,569	4.2
Communications and technology	357	412	(13.3)
Occupancy and related depreciation	221	228	(3.1)
Brokerage, clearing, and exchange fees	169	172	(1.7)
Advertising and market development	113	151	(25.2)
Professional fees	140	132	6.1
Office supplies and postage	50	65	(23.1)
Other	186	163	14.1
Research settlement-related expenses	-	111	(100.0)
Net recoveries related to September 11	(61)	-	N/M
TOTAL NON-INTEREST EXPENSES	3,853	4,003	(3.7)
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	1,466	948	54.6
Income tax expense	398	267	49.1
Dividends on preferred securities issued by subsidiaries	47	47	-
NET EARNINGS	$1,021	$ 634	61.0
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	$1,011	$ 624	62.0
EARNINGS PER COMMON SHARE			
Basic	$ 1.13	$ 0.72	
Diluted	$ 1.05	$ 0.66	
DIVIDEND PAID PER COMMON SHARE	$ 0.16	$ 0.16	

AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE		
Basic	897.2	861.7
Diluted	965.3	942.6

See Notes to Condensed Consolidated Financial Statements
</TABLE>

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

<TABLE>
<CAPTION>

(in millions, except per share amounts)	For the Six Months Ended June 27, 2003	June 28, 2002	Percent Inc. (Dec.)
<S>	<C>	<C>	<C>
NET REVENUES			
Commissions	$2,113	$2,454	(13.9)%
Principal transactions	2,110	1,605	31.5
Investment banking			
Underwriting	933	967	(3.5)
Strategic advisory	258	377	(31.6)
Asset management and portfolio service fees	2,281	2,591	(12.0)
Other	476	438	8.7
Subtotal	8,171	8,432	(3.1)
Interest and dividend revenues	6,049	6,482	(6.7)
Less interest expense	4,047	4,873	(17.0)
Net interest profit	2,002	1,609	24.4
TOTAL NET REVENUES	10,173	10,041	1.3
NON-INTEREST EXPENSES			
Compensation and benefits	5,174	5,215	(0.8)
Communications and technology	760	886	(14.2)
Occupancy and related depreciation	437	466	(6.2)
Brokerage, clearing, and exchange fees	339	370	(8.4)
Advertising and market development	234	301	(22.3)
Professional fees	284	262	8.4
Office supplies and postage	108	134	(19.4)
Other	410	336	22.0
Research settlement-related expenses	-	111	(100.0)
Net recoveries related to September 11	(61)	-	N/M
TOTAL NON-INTEREST EXPENSES	7,685	8,081	(4.9)

EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,488	1,960	26.9
Income tax expense	687	583	17.8
Dividends on preferred securities issued by subsidiaries	95	96	(1.0)
	------	------	
NET EARNINGS	$1,706	$1,281	33.2
	======	======	
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	$1,687	$1,262	33.7
	======	======	
EARNINGS PER COMMON SHARE			
Basic	$ 1.89	$ 1.47	
	======	======	
Diluted	$ 1.77	$ 1.33	
	======	======	
DIVIDEND PAID PER COMMON SHARE	$ 0.32	$ 0.32	
	======	======	
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE			
Basic	892.4	858.2	
	======	======	
Diluted	952.3	945.9	
	======	======	

- ---

See Notes to Condensed Consolidated Financial Statements
</TABLE>

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<TABLE>
<CAPTION>

(dollars in millions)	June 27, 2003	Dec. 27, 2002
<S>	<C>	<C>
ASSETS		
CASH AND CASH EQUIVALENTS	$ 14,046	$ 10,211
CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES OR DEPOSITED WITH CLEARING ORGANIZATIONS	7,212	7,375
SECURITIES FINANCING TRANSACTIONS		
Receivables under resale agreements	75,482	75,292
Receivables under securities borrowed transactions	50,917	45,543
	--------	--------
	126,399	120,835
TRADING ASSETS, AT FAIR VALUE (includes securities pledged as collateral of $18,050 in 2003 and $11,344 in 2002)		
Contractual agreements	40,601	38,728
Corporate debt and preferred stock	23,892	18,569
Mortgages, mortgage-backed, and asset-backed	20,306	14,987
Equities and convertible debentures	14,646	13,530
Non-U.S. governments and agencies	13,708	

		10,095
U.S. Government and agencies	10,540	10,116
Municipals and money markets	4,936	5,535
	--------	--------
	128,629	111,560
INVESTMENT SECURITIES	77,124	81,787
SECURITIES RECEIVED AS COLLATERAL	2,794	2,020
OTHER RECEIVABLES		
Customers (net of allowance for doubtful accounts of $62 in 2003 and $79 in 2002)	41,185	35,317
Brokers and dealers	9,126	8,485
Interest and other	9,248	10,581
	--------	--------
	59,559	54,383
	--------	--------
LOANS, NOTES, AND MORTGAGES (net of allowances of $297 in 2003 and $265 in 2002)	38,485	34,735
SEPARATE ACCOUNTS ASSETS	14,572	13,042
EQUIPMENT AND FACILITIES (net of accumulated depreciation and amortization of $4,921 in 2003 and $4,671 in 2002)	2,650	3,080
GOODWILL (net of accumulated amortization of $1,005 in 2003 and $984 in 2002)	4,570	4,446
OTHER ASSETS	5,035	4,454
	--------	--------
TOTAL ASSETS	$481,075	$447,928
	========	========

</TABLE>

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

<TABLE>
<CAPTION>

(dollars in millions, except per share amount)	June 27, 2003	Dec. 27, 2002
<S>	<C>	<C>
LIABILITIES		
SECURITIES FINANCING TRANSACTIONS		
Payables under repurchase agreements	$ 92,967	$ 85,378
Payables under securities loaned transactions	9,726	7,640
	--------	--------
	102,693	93,018
	--------	--------
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS	5,517	

		5,353
DEPOSITS	80,468	81,842
TRADING LIABILITIES, AT FAIR VALUE		
Contractual agreements	44,593	45,202
U.S. Government and agencies	18,101	14,678
Non-U.S. governments and agencies	12,099	7,952
Corporate debt, municipals and preferred stock	10,032	6,500
Equities and convertible debentures	8,536	4,864
	93,361	79,196
OBLIGATION TO RETURN SECURITIES RECEIVED AS COLLATERAL	2,794	2,020
OTHER PAYABLES		
Customers	34,519	28,569
Brokers and dealers	17,439	16,541
Interest and other	19,750	20,724
	71,708	65,834
LIABILITIES OF INSURANCE SUBSIDIARIES	3,459	3,566
SEPARATE ACCOUNTS LIABILITIES	14,572	13,042
LONG-TERM BORROWINGS	79,062	78,524
TOTAL LIABILITIES	453,634	422,395
PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,660	2,658
STOCKHOLDERS' EQUITY		
PREFERRED STOCKHOLDERS' EQUITY (42,500 shares issued and outstanding, liquidation preference $10,000 per share)	425	425
COMMON STOCKHOLDERS' EQUITY		
Shares exchangeable into common stock	46	58
Common stock (par value $1.33 1/3 per share; authorized: 3,000,000,000 shares; issued: 2003 - 1,047,824,694 shares; 2002 - 983,502,078 shares)	1,397	1,311
Paid-in capital	6,093	5,315
Accumulated other comprehensive loss (net of tax)	(505)	(570)
Retained earnings	19,464	18,072
	26,495	24,186
Less: Treasury stock, at cost: 2003 - 116,923,484 shares; 2002 - 116,211,158 shares	1,191	961

Unamortized employee stock grants	948	775
	--------	--------
TOTAL COMMON STOCKHOLDERS' EQUITY	24,356	22,450
	--------	--------
TOTAL STOCKHOLDERS' EQUITY	24,781	22,875
	--------	--------
TOTAL LIABILITIES, PREFERRED SECURITIES ISSUED BY SUBSIDIARIES, AND STOCKHOLDERS' EQUITY	$481,075	$447,928
	========	========

See Notes to Condensed Consolidated Financial Statements
</TABLE>

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>
<CAPTION>

	For the Six Months Ended	
(dollars in millions)	June 27, 2003	June 28, 2002
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 1,706	$ 1,281
Noncash items included in earnings:		
Depreciation and amortization	285	335
Policyholder reserves	80	85
Amortization of stock-based compensation	333	320
Deferred taxes	392	56
Other	(36)	10
Changes in operating assets and liabilities:		
Trading assets	(17,162)	(1,762)
Cash and securities segregated for regulatory purposes or deposited with clearing organizations	163	(2,150)
Receivables under resale agreements	(194)	(4,002)
Receivables under securities borrowed transactions	(5,374)	(4,344)
Customer receivables	(5,850)	1,963
Brokers and dealers receivables	(641)	(6,506)
Trading liabilities	14,165	5,358
Payables under repurchase agreements	7,589	14,851
Payables under securities loaned transactions	2,086	(2,502)
Customer payables	5,950	669
Brokers and dealers payables	898	2,572
Other, net	(854)	4,395
	--------	--------
Cash provided by operating activities	3,536	10,629
	--------	--------
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments for):		
Maturities of available-for-sale securities	13,088	14,350
Sales of available-for-sale securities	32,018	17,065
Purchases of available-for-sale securities	(37,239)	(23,516)
Maturities of held-to-maturity securities	238	88
Purchases of held-to-maturity securities	(754)	(228)
Loans, notes, and mortgages	(4,202)	(7,367)
Other investments and other assets	(1,033)	(423)
Equipment and facilities	145	(608)
	--------	--------
Cash provided by (used for) investing activities	2,261	(639)
	--------	--------
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for):		
Commercial paper and other short-term borrowings	164	823
Deposits	(1,374)	(4,709)
Issuance and resale of long-term borrowings	13,880	15,449

Settlement and repurchases of long-term borrowings	(14,594)	(17,756)
Issuance of common stock	243	182
Issuance of treasury stock	10	3
Other common stock transactions	23	(41)
Dividends	(314)	(297)
Cash used for financing activities	(1,962)	(6,346)
Increase in cash and cash equivalents	3,835	3,644
Cash and cash equivalents, beginning of year	10,211	11,070
Cash and cash equivalents, end of period	$ 14,046	$ 14,714
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Income taxes	$ (11)	$ 217
Interest	3,923	5,041

See Notes to Condensed Consolidated Financial Statements
</TABLE>

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
JUNE 27, 2003

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a complete discussion of Merrill Lynch's accounting policies, refer to the excerpt of the Annual Report included as an exhibit to Form 10-K for the year ended December 27, 2002 ("2002 Annual Report").

Basis of Presentation

The Condensed Consolidated Financial Statements include the accounts of Merrill Lynch & Co., Inc. ("ML & Co.") and subsidiaries (collectively, "Merrill Lynch"). All material intercompany balances have been eliminated. The interim consolidated financial statements for the three-and six-month periods are unaudited; however, in the opinion of Merrill Lynch management, all adjustments (consisting of normal recurring accruals) necessary for a fair statement of the consolidated financial statements have been included.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements included in the 2002 Annual Report. The December 27, 2002 unaudited Condensed Consolidated Balance Sheet was derived from the audited 2002 financial statements. The nature of Merrill Lynch's business is such that the results of any interim period are not necessarily indicative of results for a full year. In presenting the Condensed Consolidated Financial Statements, management makes estimates that affect the reported amounts and disclosures in the financial statements. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ from those estimates and could have a material impact on the Condensed Consolidated Financial Statements, and it is possible that such changes could occur in the near term. Certain reclassifications have been made to prior period financial statements, where appropriate, to conform to the current period presentation.

New Accounting Pronouncements

On July 7, 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP provides guidance on accounting and reporting by insurance companies for certain nontraditional long-duration contracts and for separate accounts. The SOP is effective for financial statements for Merrill Lynch beginning in 2004. The SOP requires the establishment of a liability for contracts that contain death or other insurance benefits using a specified reserve methodology that is different from the methodology that Merrill Lynch currently employs. Depending on market conditions at the time of adoption, the impact of implementing this reserve methodology may have a material impact on the Condensed Consolidated Statement of Earnings.

On May 15, 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 changes the accounting for certain financial instruments, including mandatorily redeemable preferred stock and certain freestanding equity derivatives, which under previous guidance were accounted for as equity. SFAS No. 150 requires that mandatorily redeemable preferred shares, written put

options and physically settled forward purchase contracts on an issuer's shares, and certain financial instruments that must be settled by issuing a variable number of an issuer's shares, be classified as liabilities in the Condensed Consolidated Balance Sheets.

SFAS No. 150 must be applied immediately to instruments entered into or modified after May 31, 2003 and to all other instruments that exist beginning in the third quarter of this year. Application to pre-existing contracts is recognized as a cumulative effect of a change in accounting principle. Merrill Lynch does not expect the adoption of SFAS No. 150 to have a material impact on the Condensed Consolidated Financial Statements.

On April 30, 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. The new guidance amends SFAS No. 133 for decisions made as part of the Derivatives Implementation Group ("DIG") process that effectively required amendments to SFAS No. 133, and decisions made in connection with other FASB projects dealing with financial instruments and in connection with implementation issues raised in relation to the application of the definition of a derivative and characteristics of a derivative that contains financing components. In addition, it clarifies when a derivative contains a financing component that warrants special reporting in the statement of cash flows. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. Merrill Lynch is currently assessing the impact of SFAS No. 149 on the Condensed Consolidated Financial Statements.

On January 17, 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), which clarifies when an entity should consolidate another entity known as a Variable Interest Entity ("VIE"), more commonly referred to as an SPE. A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties, and may include many types of SPEs. FIN 46 requires that an entity consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. FIN 46 does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. FIN 46 is effective for VIEs created on or after February 1, 2003 and for existing VIEs as of the third quarter of 2003. See Note 8 to the Consolidated Financial Statements in the 2002 Annual Report for disclosures regarding the expected impact of adoption of FIN 46 on Merrill Lynch's Consolidated Balance Sheets. Also, see Note 5 to the Condensed Consolidated Financial Statements for additional FIN 46 disclosure.

On December 31, 2002 the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123, Accounting for Stock-Based Compensation. SFAS No. 148 permits three alternative methods for a voluntary transition to the fair value based method of accounting for employee stock-based compensation. SFAS No. 148 continues to permit prospective application for companies that adopt this standard prior to the beginning of fiscal year 2004. SFAS No. 148 also allows for a modified prospective application, which requires the fair value of all unvested awards to be amortized over the remaining service period, as well as restatement of prior years' expense. The transition guidance and disclosure provisions of SFAS No. 148 were effective for fiscal years ending after December 15, 2002. See Note 11 to the Condensed Consolidated Financial Statements for these disclosures.

On November 25, 2002, the FASB issued FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements Nos. 5, 57, and 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires guarantors to disclose their obligations under certain guarantees. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosures were effective for financial statements of interim or annual periods ending after December 15, 2002. See Note 10 to the Condensed Consolidated Financial Statements for these disclosures.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 replaces the guidance provided by EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). Merrill Lynch adopted SFAS No. 146 as of January 1, 2003, which had no material impact on the Condensed

Consolidated Financial Statements.

NOTE 2. OTHER SIGNIFICANT EVENTS

Restructuring and Other Charges

During the fourth quarter of 2001, Merrill Lynch's management formally committed to a restructuring plan designed to position Merrill Lynch for improved profitability and growth, which included the resizing of selected businesses and other structural changes. As a result, Merrill Lynch incurred a fourth quarter 2001 pre-tax charge to earnings of $2.2 billion, which included restructuring costs of $1.8 billion and other charges of $396 million. Utilization of the restructuring reserve and a rollforward of staff reductions at June 27, 2003 is as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Initial Balance	Utilized in 2001	Utilized in 2002(1)	Utilized in 2003	Balance June 27, 2003
<S>	<C>	<C>	<C>	<C>	<C>
Category:					
Severance costs	$ 1,133	$ (214)	$ (874)	$(23)	22
Facilities costs	299	-	(15)	(50)	234
Technology and fixed asset write-offs	187	(187)	-	-	-
Other Costs	178	-	(119)	-	59
	$ 1,797	$ (401)	$(1,008)	$(73)	$315
Staff Reductions	6,205	(749)	(5,233)	(71)	152

(1) The 2002 utilization included changes in estimates which are attributable to differences in actual costs from initial estimates in implementing the original restructuring plan. As a result of changes in estimates, net reserves of $9 million were reversed in 2002. Refer to Note 3 in the 2002 Annual Report for additional information.
</TABLE>

NOTE 3. SEGMENT INFORMATION

In reporting to management, Merrill Lynch's operating results are categorized into three business segments: the Global Markets and Investment Banking Group ("GMI"), Global Private Client ("GPC") and Merrill Lynch Investment Managers ("MLIM"). Prior period amounts have been restated to conform to the current period presentation. For information on each segment's business activities, see the 2002 Annual Report.

Operating results by business segment are as follows:

<TABLE>
<CAPTION>
(dollars in millions)

THREE MONTHS ENDED JUNE 27, 2003	GMI	GPC	MLIM	Corporate Items	Total
<S>	<C>	<C>	<C>	<C>	<C>
Non-interest revenues	$ 2,154	$ 1,795	$ 325	$ (7) (1)	$ 4,267
Net interest profit(2)	732	333	5	(18) (3)	1,052
Net revenues	2,886	2,128	330	(25)	

	GMI	GPC	MLIM	Corporate Items	Total
(Net revenues, continued)					5,319
Non-interest expenses	1,773	1,787	263	30 (4)	3,853
Pre-tax earnings (loss)	$ 1,113	$ 341	$ 67	$ (55)	$ 1,466
Quarter-end total assets	$408,967	$62,480	$5,058	$4,570	$ 481,075

THREE MONTHS ENDED JUNE 28, 2002	GMI	GPC	MLIM	Corporate Items	Total
Non-interest revenues	$ 1,848	$ 1,922	$ 406	$ (24) (1)	$ 4,152
Net interest profit(2)	462	346	5	(14) (3)	799
Net revenues	2,310	2,268	411	(38)	4,951
Non-interest expenses	1,663	1,928	322	90 (4)	4,003
Pre-tax earnings (loss)	$ 647	$ 340	$ 89	$ (128)	$ 948
Quarter-end total assets	$381,810	$62,104	$5,667	$4,253	$ 453,834

(1) Primarily represents the elimination of intersegment revenues and expenses.
(2) Management views interest income net of interest expense in evaluating results.
(3) Represents acquisition financing costs and other corporate interest.
(4) Represents elimination of intersegment revenues and expenses. 2003 includes September 11-related expenses and a litigation provision. 2002 included research settlement-related expenses.
</TABLE>

<TABLE>
<CAPTION>
(dollars in millions)

SIX MONTHS ENDED JUNE 27, 2003	GMI	GPC	MLIM	Corporate Items	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Non-interest revenues	$ 3,961	$ 3,574	$ 655	$ (19) (1)	$ 8,171
Net interest profit(2)	1,386	655	12	(51) (3)	2,002
Net revenues	5,347	4,229	667	(70)	10,173
Non-interest expenses	3,445	3,621	554	65 (4)	7,685
Pre-tax earnings (loss)	$ 1,902	$ 608	$ 113	$ (135)	$ 2,488

SIX MONTHS ENDED JUNE 28, 2002	GMI	GPC	MLIM	Corporate Items	Total

Non-interest revenues	$ 3,756	$ 3,875	$ 845	$ (44) (1)	$ 8,432
Net interest profit(2)	938	692	9	(30) (3)	1,609
Net revenues	4,694	4,567	854	(74)	10,041
Non-interest expenses	3,403	3,956	651	71 (4)	8,081
Pre-tax earnings (loss)	$ 1,291	$ 611	$ 203	$ (145)	$ 1,960

(1) Primarily represents the elimination of intersegment revenues and expenses.
(2) Management views interest income net of interest expense in evaluating results.
(3) Represents acquisition financing costs and other corporate interest.
(4) Represents elimination of intersegment revenues and expenses. 2003 includes September 11-related expenses and a litigation provision. 2002 included research settlement-related expenses.
</TABLE>

NOTE 4. INVESTMENT SECURITIES

Investment securities at June 27, 2003 and December 27, 2002 are presented below:
<TABLE>
<CAPTION>
(dollars in millions)

<S>	June 27, 2003 <C>	Dec. 27, 2002 <C>
INVESTMENT SECURITIES		
Available-for-sale	$65,181	$72,229
Trading	4,221	3,337
Held-to-maturity	1,179	638
Non-qualifying: (1)		
Deferred compensation hedges (2)	1,694	1,927
Other (3)	4,849	3,656
Total	$77,124	$81,787

(1) Non-qualifying for SFAS No. 115 purposes.
(2) Represents investments economically hedging deferred compensation liabilities.
(3) Includes insurance policy loans, merchant banking investments and other non-qualifying investments.
</TABLE>

As of June 27, 2003, certain available-for-sale securities had suffered a decline in value of approximately $100 million. Accordingly, this amount was charged to Accumulated other comprehensive loss on the Condensed Consolidated Balance Sheet. These investments will continue to be monitored for impairment, and should it be determined that the impairment to these investments is other than temporary, a charge will be made to earnings.

NOTE 5. SECURITIZATION TRANSACTIONS

In the normal course of business, Merrill Lynch securitizes commercial and residential mortgage and home equity loans; municipal, government, and corporate bonds; and other types of financial assets. SPEs are often used when entering into or facilitating securitization transactions. Merrill Lynch's involvement with SPEs used to securitize financial assets includes: establishing SPEs; selling assets to SPEs; underwriting, distributing, making loans to SPEs; making markets in securities issued by SPEs; engaging in derivative transactions with SPEs; owning notes or certificates issued by SPEs; and/or providing liquidity facilities and other guarantees to SPEs.

Merrill Lynch securitized assets of $32.3 billion for the six months ended June 27, 2003. For the six months ended June 27, 2003 and June 28, 2002, Merrill Lynch received $32.8 billion and $19.2 billion, respectively, of proceeds, and other cash inflows, from new securitization transactions, and recognized net securitization gains, excluding gains on related derivative transactions, of $25.6 million and $47.6 million, respectively in Merrill Lynch's Condensed Consolidated Statements of Earnings. Merrill Lynch generally records assets prior to securitization at fair value.

For the first six months of 2003 and 2002, cash inflows from securitizations

related to the following asset types:

(dollars in millions)

	June 27, 2003	June 28, 2002
Asset category		
Residential mortgage loans	$24,457	$12,019
Municipal bonds	5,577	3,222
Corporate and government bonds	768	1,365
Commercial loans and other	2,045	2,578
	$32,847	$19,184

Retained interests in SPEs were approximately $3.0 billion and $3.3 billion at June 27, 2003 and December 27, 2002, respectively, which related primarily to residential mortgage loan and municipal bond securitization transactions. The majority of the retained interest balance consists of mortgage-backed securities that have observable market prices. These retained interests include mortgage-backed securities that Merrill Lynch has committed to purchase and expects to sell to investors in the normal course of its underwriting activity. Approximately 71% and 77% at June 27, 2003 and December 27, 2002, respectively, of residential mortgage loan retained interests consists of interests in U.S. Government agency sponsored securitizations, which are guaranteed with respect to principal and interest. In addition, $611 million and $851 million at June 27, 2003 and December 27, 2002, respectively, of the retained interest balance relates to municipal bond transactions where observable market prices are available for the underlying assets, which provide the inputs and parameters used to calculate the fair value of the retained interest.

The following table presents information on retained interests, excluding the offsetting benefit of financial instruments used to hedge risks, held by Merrill Lynch as of June 27, 2003 arising from Merrill Lynch's residential mortgage loan, commercial mortgage loan, and municipal bond securitization transactions. The sensitivity of the current fair value of the retained interests to immediate 10% and 20% adverse changes in those assumptions and parameters is also shown.

(dollars in millions)

	Residential Mortgage Loans	Municipal Bonds	Other
Retained interest amount	$2,348	$ 611	$ 89
Weighted average life (in years)	3.5	4.4	N/A
Range	0.0 - 19.0	0.0 - 8.0	N/A
Weighted average credit losses (rate per annum)	0.5%	0%	0.7%
Range	0.0 - 3.5%	0%	0.0 - 3.6%
Impact on fair value of 10% adverse change	$ (4)	$ -	$ (1)
Impact on fair value of 20% adverse change	$ (8)	$ -	$ (3)
Weighted average discount rate	5.5%	2.8%	7.1%
Range	0.0 - 75.0%	1.2 - 6.4%	1.6 - 21.7%
Impact on fair value of 10% adverse change	$ (39)	$ (52)	$ (1)
Impact on fair value of 20% adverse change	$ (66)	$(101)	$ (3)
Weighted average prepayment speed (CPR)	19.5%	15.5%	N/A
Range	0.0 - 65.0%	6.0 - 30.0%	N/A
Impact on fair value of 10% adverse change	$ (20)	$ (2)	N/A
Impact on fair value of 20% adverse change	$ (30)	$ (3)	N/A

N/A=Not Applicable
CPR=Constant Prepayment Rate

The preceding table does not include the offsetting benefit of financial instruments that Merrill Lynch utilizes to hedge risks including credit, interest rate, and prepayment risk that are inherent in the retained interests. Merrill Lynch employs hedging strategies that are structured to take into consideration the hypothetical stress scenarios above such that they would be effective in principally offsetting Merrill Lynch's exposure to loss in the event these scenarios occur. In addition, the sensitivity analysis is

hypothetical and should be used with caution. In particular, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated independent of changes in any other assumption; in practice, changes in one factor may result in changes in another, which might magnify or counteract the sensitivities. Further, changes in fair value based on a 10% or 20% variation in an assumption or parameter generally cannot be extrapolated because the relationship of the change in the assumption to the change in fair value may not be linear.

The assumptions and parameters used initially to value retained interests relating to securitizations effected in 2003 that were still held by Merrill Lynch as of June 27, 2003 are as follows:

<TABLE>
<CAPTION>

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
Weighted average life (in years)	4.9	0.0 - 8.0	N/A
Credit losses (rate per annum)	0.1%	0%	0.9-1.4%
Weighted average discount rate	6.2%	1.5 -6.8%	2.6-15.0%
Prepayment speed assumption (CPR)	12.1%	6.0 - 24.0%	N/A

N/A=Not Applicable
CPR=Constant Prepayment Rate
</TABLE>

For residential mortgage loan and other securitizations, the investors and the securitization trust have no recourse to Merrill Lynch's other assets for failure of mortgage holders to pay when due.

For municipal bond securitization SPEs, in the normal course of dealer market-making activities, Merrill Lynch acts as liquidity provider. Specifically, the holders of beneficial interests issued by municipal bond securitization SPEs have the right to tender their interests for purchase by Merrill Lynch on specified dates at a specified price. Beneficial interests that are tendered are then sold by Merrill Lynch to investors through a best efforts remarketing where Merrill Lynch is remarketing agent. If the beneficial interests are not successfully remarketed, the holders of beneficial interests are paid from funds drawn under a standby liquidity letter of credit issued by Merrill Lynch.

Merrill Lynch also provides default protection or credit enhancement to investors in securities issued by certain municipal bond securitization SPEs. Interest and principal payments on beneficial interests issued by these SPEs are secured by a guarantee issued by Merrill Lynch. In the event that the issuer of the underlying municipal bond defaults on any payment of principal and/or interest when due, the payments on the bonds will be made to beneficial interest holders from an irrevocable guarantee by Merrill Lynch.

The maximum commitment under these liquidity and default guarantees totaled $16.8 billion and $13.7 billion at June 27, 2003 and December 27, 2002, respectively. The fair value of the commitments approximated $37 million and $69 million at June 27, 2003 and December 27, 2002, respectively, which is reflected in the Condensed Consolidated Financial Statements. Of these arrangements, $3.3 billion and $2.3 billion at June 27, 2003 and December 27, 2002, respectively, represent agreements where the guarantee is provided to the SPE by a third party financial intermediary and Merrill Lynch enters into a reimbursement agreement with the financial intermediary. In these arrangements, if the financial intermediary incurs losses, Merrill Lynch has up to one year to fund those losses. Additional information regarding these commitments is provided in Note 10 to the Condensed Consolidated Financial Statements and in Note 14 in the 2002 Annual Report.

The following table summarizes principal amounts outstanding, delinquencies, and net credit losses of securitized financial assets as of June 27, 2003 and December 27, 2002.
<TABLE>
<CAPTION>
(dollars in millions)

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
June 27, 2003			
Principal Amount Outstanding	$37,438	$23,380	$3,983

Delinquencies	69	-	-
Net Credit Losses	2	-	16
December 27, 2002			
Principal Amount Outstanding	$23,107	$18,379	$2,476
Delinquencies	90	-	3
Net Credit Losses	5	-	44

</TABLE>

In January 2003, the FASB issued FIN 46, which clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, for enterprises that have interests in entities that meet the definition of a VIE. A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Merrill Lynch adopted FIN 46 on February 1, 2003 for VIEs with which Merrill Lynch became involved after January 31, 2003.

In the normal course of business, Merrill Lynch acts as a transferor, derivative counterparty, investor, arranger, structurer, underwriter, market-maker, guarantor, and/or liquidity provider to many VIEs. In addition, Merrill Lynch also acts as transferor to entities that meet the requirements of qualifying special purpose entities as defined in SFAS No. 140.

Upon adoption of FIN 46, Merrill Lynch has entered into transactions with a number of VIEs of which it was deemed the primary beneficiary and therefore must consolidate the VIE. Certain of these VIEs hold convertible bonds purchased from Merrill Lynch, and Merrill Lynch maintains a call option to repurchase the convertible bonds from the VIE. Assets held by these VIEs, totaling $246 million, are reported in Equities and convertible debentures. Holders of the beneficial interest in these VIEs have no recourse to the general credit of Merrill Lynch; rather their investment is paid exclusively from the convertible bonds held by the VIE. Other VIEs largely relate to maturity shortening transactions where Merrill Lynch has the obligation to repurchase some of the underlying securities at the maturity date of the VIE. Assets held by these VIEs, totaling $251 million, are reported in Corporate debt and preferred stock. The beneficial interest holders in these VIEs have recourse to Merrill Lynch of up to $68 million to the extent that the underlying assets that Merrill Lynch is required to repurchase have declined in value from the initial transaction date.

In addition, subsequent to the adoption of FIN 46, Merrill Lynch entered into transactions that gave rise to significant variable interest in certain VIEs. Most of these VIEs include transactions where Merrill Lynch is a derivative counterparty to a VIE that serves to synthetically expose investors to a specific credit risk. As of January 31, 2003, Merrill Lynch created these types of SPEs that held a total of $564 million in assets. As of June 27, 2003, Merrill Lynch's maximum exposure to loss as a result of this activity was $25 million, which is fully reflected on the Condensed Consolidated Financial Statements. Also, Merrill Lynch has made loans to VIEs that invest in loan receivable assets. These VIEs are primarily designed to provide temporary financing to clients that are accumulating assets (typically loan receivables) prior to a securitization. Merrill Lynch has a significant variable interest in VIEs that hold real estate assets totaling $30 million. Merrill Lynch is exposed to maximum losses of $16 million, which relates to a loan to the VIEs and is fully reflected on the Condensed Consolidated Financial Statements.

NOTE 6. LOANS, NOTES, AND MORTGAGES AND RELATED COMMITMENTS TO EXTEND CREDIT

Loans, Notes, and Mortgages and related commitments to extend credit at June 27, 2003 and December 27, 2002, are presented below:

<TABLE>
<CAPTION>
(dollars in millions)

	Loans		Commitments	
	June 27, 2003	Dec. 27, 2002	June 27, 2003(1)	Dec. 27, 2002
<S>	<C>	<C>	<C>	<C>
Consumer and small and middle-market business - secured	$ 28,226	$ 23,749	$ 10,470	$ 8,318
Commercial:				
Secured	8,127	6,873	7,820	4,450
Unsecured investment grade	1,719	3,434	13,983	10,882
Unsecured non-investment grade	413	679	356	293

Total	$ 38,485	$ 34,735	$ 32,629	$ 23,943

(1) See Note 10 for a maturity profile of these commitments.
</TABLE>

The loan amounts are net of an allowance for loan losses of $297 million and $265 million as of June 27, 2003 and December 27, 2002, respectively.

Consumer and small and middle-market business loans, which are substantially secured, consisted of approximately 164,000 individual loans at June 27, 2003 and include residential mortgages, home equity loans, small and middle-market business loans, and other loans to individuals for household, family, or other personal expenditures. Commercial loans, which at June 27, 2003 consisted of approximately 5,000 individual loans, include syndicated loans and other loans to corporations and other businesses. Secured loans and commitments include lending activities made in the normal course of Merrill Lynch's securities and financing businesses. The investment grade and non-investment grade categorization is determined using the credit rating agency equivalent of internal credit ratings. Non-investment grade counterparties are those rated lower than BBB. Merrill Lynch enters into credit default swaps to mitigate credit exposure primarily related to funded and unfunded unsecured commercial loans. The notional value of these swaps totaled $4.1 billion and $3.8 billion at June 27, 2003 and December 27, 2002, respectively.

The above amounts include $6.8 billion and $6.2 billion of loans held for sale at June 27, 2003 and December 27, 2002, respectively. Loans held for sale are loans which management expects to sell prior to maturity. At June 27, 2003, such loans consisted of $4.9 billion of consumer loans, primarily residential mortgages, and $1.9 billion of commercial loans, approximately 36% of which are to investment grade counterparties. At December 27, 2002, such loans consisted of $3.2 billion of consumer loans, primarily residential mortgages, and $3.0 billion of commercial loans, approximately 49% of which were to investment grade counterparties. For information on the accounting policy related to loans, notes and mortgages, see Note 1 in the 2002 Annual Report.

NOTE 7. SHORT-TERM BORROWINGS AND DEPOSITS

Short-term borrowings and Deposits at June 27, 2003 and December 27, 2002 are presented below:

<TABLE>
<CAPTION>
(dollars in millions)

	June 27, 2003	Dec. 27, 2002
<S>	<C>	<C>
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS		
Commercial paper	$ 4,816	$ 3,966
Other	701	1,387
Total	$ 5,517	$ 5,353
DEPOSITS		
U.S.	$ 66,422	$ 68,550
Non U.S.	14,046	13,292
Total	$ 80,468	$ 81,842

</TABLE>

NOTE 8. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:
<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended		Six Months Ended	
	June 27,	June 28,	June 27,	June 28,

	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Net Earnings	$1,021	$634	$1,706	$1,281
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	(1)	(9)	4	(24)
Net unrealized gain on investment securities available-for-sale	49	19	67	36
Deferred gain (loss) on cash flow hedges	(13)	21	(6)	(14)
Total other comprehensive income (loss), net of tax	35	31	65	(2)
Comprehensive income	$1,056	$665	$1,771	$1,279

</TABLE>

NOTE 9. EARNINGS PER COMMON SHARE

The computation of earnings per common share is as follows:
<TABLE>
<CAPTION>
(dollars in millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 27, 2003	June 28, 2002	June 27, 2003	June 28, 2002
<S>	<C>	<C>	<C>	<C>
Net Earnings	$ 1,021	$ 634	$ 1,706	$ 1,281
Preferred stock dividends	10	10	19	19
Net earnings applicable to common stockholders	$ 1,011	$ 624	$ 1,687	$ 1,262
(shares in thousands)				
Weighted-average shares outstanding	897,202	861,742	892,377	858,241
Effect of dilutive instruments(1) (2):				
Employee stock options	25,783	32,176	22,118	38,599
Financial Advisor Capital Accumulation Award Plan shares	21,969	24,438	21,171	24,676
Restricted shares and units	20,277	24,139	16,500	24,255
Employee Stock Purchase Plan shares	57	65	88	90
Dilutive potential common shares	68,086	80,818	59,877	87,620
Total weighted-average diluted shares	965,288	942,560	952,254	945,861
Basic earnings per common share	$ 1.13	$ 0.72	$ 1.89	$ 1.47
Diluted earnings per common share	$ 1.05	$ 0.66	$ 1.77	$ 1.33

(1) During the 2003 and 2002 second quarter there were 122 million and 100 million instruments, respectively, that were considered antidilutive and not included in the above computations.
(2) See Note 16 to the 2002 Annual Report for a description of these instruments.
</TABLE>

NOTE 10. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Litigation

Merrill Lynch has been named as a defendant in various legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities as a global diversified financial services institution. The general decline of equity securities prices that began in 2000 has resulted in increased legal actions against many firms, including Merrill Lynch, and will likely result in higher professional fees and litigation expenses than those incurred in the past.

Some of the legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers who would otherwise be the primary defendants in such cases are bankrupt or otherwise in financial distress. Merrill Lynch is also involved in investigations and/or proceedings by governmental and self-regulatory agencies. The number of these investigations has also increased in recent years with regard to many firms, including Merrill Lynch.

Given the number of these legal actions, investigations and proceedings, some are likely to result in adverse judgments, settlements, penalties, injunctions, fines, or other relief. Merrill Lynch believes it has strong defenses to, and where appropriate, will vigorously contest these actions. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, Merrill Lynch often cannot predict what the eventual loss or range of loss related to such matters will be. Merrill Lynch believes, based on information available to it, that the resolution of these actions will not have a material adverse effect on the financial condition of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results or cash flows for any particular period and may impact ML & Co.'s credit ratings.

Commitments

At June 27, 2003, Merrill Lynch commitments had the following expirations:
<TABLE>
<CAPTION>
(dollars in millions)

		Commitment expiration			
	Total	Less than 1 year	1- 3 years	3+ - 5 years	Over 5 years
<S>	<C>	<C>	<C>	<C>	<C>
Commitments to extend credit(1)	$32,629	$16,755	$4,453	$6,746	$4,675
Binding margin commitments	3,244	3,244	-	-	-
Partnership interests	506	235	21	112	138
Other commitments	6,448	5,433	531	352	132
Operating leases	4,061	526	1,014	861	1,660
Resale agreements	17,826	17,826	-	-	-
Repurchase agreements	12,595	12,595	-	-	-
Total	$77,309	$56,614	$6,019	$8,071	$6,605

(1) See Note 6 to the Condensed Consolidated Financial Statements and Note 14 in the 2002 Annual Report for additional details.
</TABLE>

Other Commitments

Merrill Lynch also obtains commercial letters of credit from issuing banks to satisfy various counterparty collateral requirements in lieu of depositing cash or securities collateral. Commercial letters of credit aggregated $285 million and $434 million at June 27, 2003 and December 27, 2002, respectively.

Merrill Lynch has entered into agreements with providers of market data, communications, and systems consulting services. Minimum fee commitments over the remaining life of these agreements aggregated $525 million and $527 million at June 27, 2003 and December 27, 2002, respectively. Merrill Lynch has entered into purchasing and other commitments totaling $5.8 billion and $1.4 billion at June 27, 2003 and December 27, 2002, respectively.

Leases

Merrill Lynch has entered into various noncancellable long-term lease agreements for premises that expire through 2024. Merrill Lynch has also entered into

various noncancellable short-term lease agreements, which are primarily commitments of less than one year under equipment leases.

In 1999 and 2000, Merrill Lynch established two SPEs to finance its Hopewell, New Jersey campus and an aircraft. Merrill Lynch leased the facilities and the aircraft from the SPEs. The total amount of funds raised by the SPEs to finance these transactions was $383 million. These SPEs were not consolidated by Merrill Lynch pursuant to accounting guidance, which was then in effect. In the second quarter of 2003, the facilities and aircraft owned by these SPEs were acquired by a newly created limited partnership, which is unaffiliated with Merrill Lynch. The limited partnership acquired the assets subject to the leases with Merrill Lynch as well as the existing indebtedness incurred by the original SPEs. The proceeds from the sale of the assets to the limited partnership, net of the debt assumed by the limited partnership, were used to repay the equity investors in the original SPEs. After the transaction was completed, the original SPEs were dissolved. The limited partnership has also entered into leases with third parties unrelated to Merrill Lynch.

The leases with the limited partnership mature in 2005 and 2006, and each lease has a renewal term to 2008. In addition, Merrill Lynch has entered into guarantees with the limited partnership, whereby if Merrill Lynch does not renew the lease or purchase the assets under its lease at the end of either the initial or the renewal lease term, the underlying assets will be sold to a third party, and Merrill Lynch has guaranteed that the proceeds of such sale will amount to at least 84% of the acquisition cost of the assets. The maximum exposure to Merrill Lynch as a result of this residual value guarantee is approximately $325 million as of June 27, 2003, and the fair value of the guarantee is approximately $33 million at the inception of the transaction and as of June 27, 2003, and is recorded in the Condensed Consolidated Financial Statements. Merrill Lynch's residual value guarantee does not comprise more than half of the limited partnership's assets. Merrill Lynch had entered into a similar residual value guarantee with the previous SPEs; the maximum exposure under the previous guarantee was approximately $325 million as of December 27, 2002.

The limited partnership does not meet the definition of a variable interest entity as defined in FIN 46. Merrill Lynch does not have a partnership or other interest in the new limited partnership. Accordingly, Merrill Lynch is not required to consolidate the limited partnership in its financial statements. The leases with the limited partnership are accounted for as operating leases.

Guarantees

Merrill Lynch issues various guarantees to counterparties in connection with certain leasing, securitization and other transactions. In addition, Merrill Lynch enters into certain derivative contracts that meet the accounting definition of a guarantee under FIN 45. FIN 45 defines guarantees to include derivative contracts that contingently require a guarantor to make payment to a guaranteed party based on changes in an underlying (such as changes in the value of interest rates, security prices, currency rates, commodity prices, indices, etc.) that relate to an asset, liability or equity security of a guaranteed party. Derivatives that meet the FIN 45 definition of guarantees include certain written options and credit default swaps (contracts that require Merrill Lynch to pay the counterparty the par value of a referenced security if that referenced security defaults). Merrill Lynch does not track, for accounting purposes, whether its clients enter into these derivative contracts for speculative or hedging purposes. Accordingly, Merrill Lynch has disclosed information about all credit default swaps and certain types of written options that can potentially be used by clients to protect against changes in an underlying, regardless of how the contracts are used by the client.

For certain derivative contracts such as written interest rate caps and written currency options, the maximum payout is not quantifiable, because, for example, the rise in interest rates or changes in foreign exchange rates could theoretically be unlimited. In addition, Merrill Lynch does not monitor its exposure to derivatives in this manner. As such, rather than including the maximum payout, the notional value of these contracts has been included to provide information about the magnitude of involvement with these types of contracts. However, it should be noted that the notional value overstates Merrill Lynch's exposure to these contracts.

Merrill Lynch records all derivative transactions at fair value on its Condensed Consolidated Balance Sheets. As previously noted, Merrill Lynch does not monitor its exposure to derivative contracts in terms of maximum payout. Instead, a risk framework is used to define risk tolerances and establish limits to ensure that certain risk-related losses occur within acceptable, predefined limits. Merrill Lynch economically hedges its exposure to these contracts by entering into a variety of offsetting derivative contracts and security positions. See the Derivatives section of Note 1 in the 2002 Annual Report for further discussion of risk management of derivatives.

Merrill Lynch also provides guarantees to SPEs in the form of liquidity facilities, credit default protection and residual value guarantees for

equipment leasing entities.

The liquidity facilities and credit default protection relate primarily to municipal bond securitization SPEs. Merrill Lynch acts as liquidity provider to municipal bond securitization SPEs. Specifically, the holders of beneficial interests issued by these SPEs have the right to tender their interests for purchase by Merrill Lynch on specified dates at a specified price. If the beneficial interests are not successfully remarketed, the holders of beneficial interests are paid from funds drawn under a standby facility issued by Merrill Lynch (or by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if a draw occurs). If the standby facility is drawn, Merrill Lynch may claim the underlying assets held by the SPEs. In general, standby facilities that are not coupled with default protection are not exercisable in the event of a downgrade below investment grade or default of the assets held by the SPEs. In addition, the value of the assets held by the SPE plus any additional collateral pledged to Merrill Lynch exceeds the amount of beneficial interests issued, which provides additional support to Merrill Lynch in the event that the standby facility is drawn. The assets to which Merrill Lynch has recourse are on a deal-by-deal basis and are not part of a cross collateralized pool. As of June 27, 2003, the value of the municipal bond assets to which Merrill Lynch has recourse in the event of a draw was $18.5 billion and the maximum payout if the standby facilities are drawn was $14.1 billion.

In certain instances, Merrill Lynch also provides default protection in addition to liquidity facilities. Specifically, in the event that an issuer of a municipal bond held by the SPE defaults on any payment of principal and/or interest when due, the payments on the bonds will be made to beneficial interest holders from an irrevocable guarantee by Merrill Lynch (or by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if losses occur). If the default protection is drawn, Merrill Lynch may claim the underlying assets held by the SPEs. As of June 27, 2003, the value of the assets to which Merrill Lynch has recourse in the event that an issuer of a municipal bond held by the SPE defaults on any payment of principal and/or interest when due, was $4.5 billion; the maximum payout if an issuer defaults was $2.6 billion. As described in the preceding paragraph, the assets to which Merrill Lynch has recourse are not part of a cross collateralized pool.

Further, to protect against declines in the value of the assets held by SPEs for which Merrill Lynch provides either liquidity facilities or default protection, ML economically hedges its exposure though derivative positions that principally offset the risk of loss arising from these guarantees.

Merrill Lynch also provides residual value guarantees to leasing SPEs where either Merrill Lynch or a third party is the lessee. For transactions where Merrill Lynch is not the lessee, the guarantee provides loss coverage for any shortfalls in the proceeds from assets sales beyond 75 - 90% of the current book value of the asset to which the guarantee pertains. As of June 27, 2003, the value of the assets for which Merrill Lynch provides residual value guarantees and is not the lessee was $557 million. Where Merrill Lynch is the lessee, it provides a guarantee that any proceeds from the sale of the assets will amount to at least 84% of the acquisition cost of the assets.

Merrill Lynch also enters into reimbursement agreements in conjunction with sales of loans originated under its Mortgage 100SM program. Under this program, borrowers can pledge marketable securities in lieu of making a cash down payment. Upon sale of these mortgage loans, purchasers may require a surety bond that reimburses for certain shortfalls in the borrowers' securities accounts. Merrill Lynch provides this reimbursement through a financial intermediary. Merrill Lynch requires borrowers to meet daily collateral calls to ensure that the securities pledged as down payment are sufficient at all times. Merrill Lynch believes that its potential for loss under these arrangements is remote. Accordingly, no liability is recorded in the Condensed Consolidated Financial Statements.

In addition, Merrill Lynch makes guarantees to counterparties in the form of standby letters of credit. Merrill Lynch holds marketable securities of $269 million as collateral to secure these guarantees. In addition, standby letters of credit include $55 million of financial guarantees for which Merrill Lynch has recourse to the guaranteed party upon draw down.

These guarantees and their expiration are summarized at June 27, 2003 as follows:
<TABLE>
<CAPTION>
(dollars in millions)

	Maximum Payout/ Notional	Less than 1 year	1 - 3 years	3+ - 5 years	Over 5 years	Carrying Value

<S> <C> <C> <C> <C> <C> <C>

Derivative contracts(1)	$844,359	$290,146	$259,031	$157,926	$137,256	$22,294
Liquidity facilities with SPEs(2)	14,125	13,155	970	-	-	37
Liquidity and default facilities with SPEs	2,658	2,215	170	1	272	-
Residual value guarantees(3)(4)	1,712	70	54	355	1,233	-
Standby letters of credit and other performance guarantees(5)	494	348	44	15	87	1

</TABLE>

(1) As noted above, the notional value of derivative contracts is provided rather than the maximum payout amount, although the notional value should not be considered as a substitute for maximum payout.
(2) Amounts relate primarily to facilities provided to municipal bond securitization SPEs. Includes $3.3 billion of guarantees provided to SPEs by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if losses occur, and has up to one year to fund losses.
(3) Includes residual value guarantees associated with the Hopewell campus and aircraft leases of $325 million.
(4) Includes $787 million of reimbursement agreements with the Mortgage 100SM program.
(5) Marketable securities are posted as collateral.

See Note 14 in the 2002 Annual Report for additional information on guarantees.

NOTE 11. EMPLOYEE INCENTIVE PLANS

Stock-Based Compensation

Merrill Lynch accounts for stock-based compensation in accordance with the intrinsic value-based method in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, rather than the fair value-based method in SFAS No. 123, Accounting for Stock-Based Compensation. Refer to Note 1 in the 2002 Annual Report for accounting policy. Merrill Lynch changed the vesting period for stock options from six months, for 2002 grants, to four years, for 2003 grants. For the six-month periods ended June 27, 2003 and June 28, 2002, $407 million ($252 million after-tax) and $395 million ($245 million after-tax), respectively, of pre-tax compensation expense related to employee stock compensation awards was recorded in earnings. Compensation expense for stock options is not recognized since Merrill Lynch grants stock options that have no intrinsic value. Had Merrill Lynch adopted the provisions of SFAS No. 123 and accounted for all employee stock awards at fair value, Merrill Lynch would have recognized additional pre-tax compensation expense related to employee stock awards of $124 million ($77 million after-tax) and $958 million ($594 million after-tax), respectively, for the six-month periods ended June 27, 2003 and June 28, 2002, respectively. This decrease reflects the change in vesting period. Pro forma net earnings and earnings per share are as follows:

<TABLE>
<CAPTION>
(dollars in millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 27, 2003	June 28, 2002	June 27, 2003	June 28, 2002
Net Earnings, as reported	$1,021	$ 634	$1,706	$1,281
Less: stock-based compensation determined under Black-Scholes method, net of taxes	(41)	(343)	(77)	(594)
Pro forma net earnings	$ 980	$ 291	$1,629	$ 687

EARNINGS PER SHARE				
As reported:				
Basic	$ 1.13	$0.72	$ 1.89	$ 1.47
Diluted	1.05	0.66	1.77	1.33
Pro forma:				
Basic	1.09	0.33	1.81	0.78
Diluted	1.01	0.30	1.69	0.71

</TABLE>

NOTE 12. REGULATORY REQUIREMENTS

Certain U.S. and non-U.S. subsidiaries are subject to various securities and banking regulations and capital adequacy requirements promulgated by the regulatory and exchange authorities of the countries in which they operate. Merrill Lynch's principal regulated subsidiaries are discussed below.

Securities Regulation

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a U.S. registered broker-dealer and futures commission merchant, is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934 and the capital requirements of the Commodities Futures Trading Commission ("CFTC"). Under the alternative method permitted by Rule 15c3-1, the minimum required net capital, as defined, shall not be less than 2% of aggregate debit items ("ADI") arising from customer transactions. The CFTC also requires that minimum net capital should not be less than 4% of segregated and secured requirements. At June 27, 2003, MLPF&S's regulatory net capital of $2,582 million was approximately 18.6% of ADI, and its regulatory net capital in excess of the minimum required was $2,305 million at 2% of ADI.

Merrill Lynch International ("MLI"), a U.K. regulated investment firm, is subject to capital requirements of the Financial Services Authority ("FSA"). Financial resources, as defined, must exceed the total financial resources requirement of the FSA. At June 27, 2003, MLI's financial resources were $5,577 million, exceeding the minimum requirement by $1,147 million.

Merrill Lynch Government Securities Inc. ("MLGSI"), a primary dealer in U.S. Government securities, is subject to the capital adequacy requirements of the Government Securities Act of 1986. This rule requires dealers to maintain liquid capital in excess of market and credit risk, as defined, by 20% (a 1.2-to-1 capital-to-risk standard). At June 27, 2003, MLGSI's liquid capital of $3,022 million was 200% of its total market and credit risk, and liquid capital in excess of the minimum required was $1,213 million.

Banking Regulation

Two of the subsidiaries of ML & Co., Merrill Lynch Bank USA ("MLBUSA") and Merrill Lynch Bank & Trust Co. ("MLB&T"), are each subject to certain minimum aggregate capital requirements under applicable federal banking laws. Among other things, Part 325 of the FDIC Regulations establishes levels of Risk-Based Capital ("RBC") each institution must maintain and identifies the possible actions the federal supervisory agency may take if a bank does not maintain certain capital levels. RBC is defined as the ratios of (i) Tier I Capital or Total Capital to (ii) average assets or risk-weighted assets. The following table presents the actual capital ratios and amounts for MLBUSA and MLB&T at June 27, 2003 and December 27, 2002.

As shown below, MLBUSA and MLB&T each exceed the minimum bank regulatory requirement for classification as a well-capitalized bank for Tier I leverage -- 5%, Tier I capital -- 6% and Total capital -- 10%:

<TABLE>
<CAPTION>

(dollars in millions)

	June 27, 2003		Dec. 27, 2002	
	Actual Ratio	Amount	Actual Ratio	Amount

<S>	<C>	<C>	<C>	<C>
Tier I leverage (to average assets)				
MLBUSA	6.42%	$4,323	5.35%	$3,740
MLB&T	5.58	820	5.42	848
Tier I capital (to risk-weighted assets)				
MLBUSA	12.06	4,323	11.48	3,740
MLB&T	19.10	820	20.53	848
Total capital (to risk-weighted assets)				
MLBUSA	12.60	4,519	12.04	3,924
MLB&T	19.17	823	20.54	848

</TABLE>

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors and Stockholders of
Merrill Lynch & Co., Inc.:

We have reviewed the accompanying condensed consolidated balance sheet of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of June 27, 2003, and the related condensed consolidated statements of earnings for the three-month and six-month periods ended June 27, 2003 and June 28, 2002, and the condensed consolidated statements of cash flows for the six-month periods ended June 27, 2003 and June 28, 2002. These financial statements are the responsibility of Merrill Lynch's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to such condensed consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Merrill Lynch as of December 27, 2002, and the related consolidated statements of earnings, changes in stockholders' equity, comprehensive income and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2003, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph for the change in accounting method for goodwill amortization to conform to Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 27, 2002 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche
New York, New York
August 7, 2003

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Merrill Lynch & Co., Inc. ("ML&Co." and, together with its subsidiaries, "Merrill Lynch") is a holding company that, through its subsidiaries, provides broker-dealer, investment banking, financing, advisory, wealth management, asset management, insurance, lending, and related products and services on a global basis. In addition, Merrill Lynch makes principal investments for market making on behalf of its clients and for its own account. The financial services industry, in which Merrill Lynch is a leading participant, is highly competitive and highly regulated. This industry and the global financial markets are influenced by numerous unpredictable factors. These factors

include economic conditions, monetary and fiscal policies, the liquidity of global markets, international and regional political events, acts of war or terrorism, changes in applicable laws and regulations, the competitive environment, and investor sentiment. In addition to these factors, Merrill Lynch and other financial services companies may be affected by the regulatory and legislative initiatives which may affect the conduct of its business, including increased regulation, and by the outcome of legal and regulatory proceedings. These conditions or events can significantly affect the volatility of the financial markets as well as the volumes and revenues in businesses such as brokerage, trading, investment banking, wealth management and asset management. Revenues and net earnings may vary significantly from period to period due to these unpredictable factors and the resulting market volatility and trading volumes.

The financial services industry continues to be affected by an intensifying competitive environment, as demonstrated by consolidation through mergers, competition from new and established competitors using the internet or other technology to provide financial services and diminishing margins in many mature products and services. Commercial and investment bank consolidations, which were made possible by the enactment of the Gramm-Leach-Bliley Act, have also increased the competition for investment banking business in part through the extension of credit in conjunction with investment banking and capital raising activities. In 2002, the U.S. Congress passed the Sarbanes-Oxley Act of 2002 which is a broad overhaul of existing corporate and securities laws. In addition, various Federal and state securities regulators, self-regulatory organizations (including the New York Stock Exchange) and industry participants reviewed and in many cases adopted sweeping changes to their established rules including rules in the areas of corporate governance, research analyst conflicts of interest and auditor independence. Changes pertaining to the role of research analysts in connection with providing financial services may also affect how financial services companies interact with their clients and the cost structure for such services. Outside the United States, there is continued focus by regulators and legislators on regulatory supervision of both banks and investment firms on a consolidated and individual basis, especially in the area of risk management.

Certain statements contained in this Report may be considered forward-looking, including statements about management expectations, strategic objectives, business prospects, anticipated expense savings and financial results, anticipated results of litigation and regulatory proceedings, and other similar matters. These forward-looking statements are not statements of historical fact and represent only Management's beliefs regarding future events, which are inherently uncertain. There are a variety of factors, many of which are beyond Merrill Lynch's control, which affect its operations, performance, business strategy and results and could cause its actual results and experience to differ materially from the expectations and objectives expressed in any forward-looking statements. These factors include, but are not limited to, the factors listed in the previous two paragraphs, as well as actions and initiatives taken by both current and potential competitors, the effect of current, pending and future legislation and regulation, and the other risks and uncertainties detailed in Merrill Lynch's Form 10-K and in the following sections. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Merrill Lynch does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates the forward-looking statements are made. The reader should, however, consult any further disclosures Merrill Lynch may make in its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K.

BUSINESS ENVIRONMENT

During the second quarter of 2003, conditions were exceptional in the fixed income markets. Global equity indices also rose during the second quarter of 2003 despite the uncertain economic and political outlook. Despite the strong stock market performance this quarter, many investors continued to seek an alternative in bonds. Treasury prices continued to rally in the second quarter amid slow global economic growth and with unemployment inching higher. Long-term interest rates, as measured by the 10-year U.S. Treasury bond, ended the quarter at 3.51%, down from 3.80% at the end of the first quarter of 2003. The U.S. Federal Reserve Bank cut its target for the federal funds rate by a quarter-percentage point during the quarter, to 1.00%. While these conditions in the fixed income markets were highly favorable to our debt markets business, there can be no assurance that they will be repeated in future periods.

Better-than-expected corporate earnings and the winding down of the war in Iraq overshadowed general economic and political uncertainty, and offered a catalyst for U.S. equity indices to post gains during the second quarter of 2003. The Dow Jones Industrial Average was up 12.4% in the second quarter, but down 2.8% from the end of the second quarter of 2002. This was the strongest quarterly percentage gain since the fourth quarter of 2001. The volatile NASDAQ Composite, dominated by large-cap technology stocks, rose 21.0% during the quarter, and was

up 10.9% from the 2002 second quarter level. The Standard & Poor's 500 stock index rose 14.9% during the second quarter, its largest quarterly increase since the last three months of 1998.

Due to factors similar to those that drove the U.S. equity markets, global equity indices also rose in the second quarter of 2003. The Dow Jones World Index, excluding the United States, was up 18.9% in the second quarter of 2003 but was still down 6.4% from the second quarter of 2002. European stocks enjoyed some of the largest gains in the second quarter. In Japan, the Nikkei Stock Average Index increased 14% for the quarter. In Hong Kong, the Hang Seng Index increased 10.9% for the quarter. Emerging markets continued to outperform most developed markets during the second quarter as the top 20 stock markets had returns of 20% or better.

Global debt and equity issuances increased 16% in the first half of 2003 from the comparable period of 2002, but disclosed underwriting fees fell 21% according to Thomson Financial Securities Data. With companies wanting to refinance at ever-lower interest rates, global debt issuance was up 20% in the first half of this year. However, global equity and equity-related issues fell 31% to $145 billion as a result of a decline in Initial Public Offerings. In the United States, with only 10 IPOs in the first half of 2003, IPO volume fell to its lowest six-month level since 1975, according to Thomson Financial Securities Data.

Global merger and acquisition activity continued to decline in the second quarter of 2003 and remained below second quarter 2002 levels. According to Thomson Financial Securities Data, the value of global announced deals in the second quarter of 2003 was $293 billion, down 11% from $328 billion in the comparable period of 2002. Merger and acquisition activity was equally weak in the United States, where the value of announced deals was down 12% from the second quarter of 2002.

Merrill Lynch continually evaluates its businesses for profitability and performance under varying market conditions and, in light of the evolving conditions in its competitive environment, for alignment with its long-term strategic objectives. The strategy of maintaining long-term client relationships, closely monitoring costs and risks, diversifying revenue sources, and growing fee-based revenues all continue as objectives to mitigate the effects of a volatile market environment on Merrill Lynch's business as a whole.

RESULTS OF OPERATIONS

<TABLE>
<CAPTION>

	For the Three Months Ended		For the Six Months Ended	
(dollars in millions, except per share amounts)	June 27, 2003	June 28, 2002	June 27, 2003	June 28, 2002
<S>	<C>	<C>	<C>	<C>
Net Revenues				
Commissions	$1,044	$1,212	$ 2,113	$ 2,454
Principal transactions	1,100	728	2,110	1,605
Investment banking				
Underwriting	565	501	933	967
Strategic advisory	133	194	258	377
Asset management and portfolio service fees	1,154	1,298	2,281	2,591
Other	271	219	476	438
Subtotal	4,267	4,152	8,171	8,432
Interest and dividend revenues	3,028	3,198	6,049	6,482
Less interest expense	1,976	2,399	4,047	

				4,873
Net interest profit	1,052	799	2,002	1,609
Total Net Revenues	5,319	4,951	10,173	10,041
Non-interest expenses:				
Compensation and benefits	2,678	2,569	5,174	5,215
Communications and technology	357	412	760	886
Occupancy and related depreciation	221	228	437	466
Brokerage, clearing, and exchange fees	169	172	339	370
Advertising and market development	113	151	234	301
Professional fees	140	132	284	262
Office supplies and postage	50	65	108	134
Other	186	163	410	336
Research settlement-related expenses	-	111	-	111
Net recoveries related to September 11	(61)	-	(61)	-
Total non-interest expenses	3,853	4,003	7,685	8,081
Earnings before income taxes and dividends on preferred securities issued by subsidiaries	$1,466	$ 948	$ 2,488	$ 1,960
Net earnings	$1,021	$ 634	$ 1,706	$ 1,281
Earnings per common share:				
Basic	$ 1.13	$ 0.72	$ 1.89	$ 1.47
Diluted	1.05	0.66	1.77	1.33
Annualized return on average common stockholders' equity	17.0 %	12.0 %	14.4 %	12.3 %
Pre-tax profit margin	27.6	19.1	24.5	19.5
Compensation and benefits as a percentage of net revenues	50.3 %	51.9 %	50.9 %	51.9 %
Non-compensation expenses as a percentage of net revenues	22.1	29.0	24.7	28.5

</TABLE>

Quarterly Results of Operations

Merrill Lynch's net earnings were $1.0 billion for the 2003 second quarter, 61% higher than the $634 million reported in the second quarter of 2002. Earnings per common share were $1.13 basic and $1.05 diluted, compared with $0.72 basic and $0.66 diluted in the 2002 second quarter. Second quarter 2003 net earnings include $61 million ($36 million after-tax, or $0.04 per diluted share) attributable to a September 11-related net insurance recovery. Second quarter 2002 net earnings included $111 million ($78 million after-tax, or $0.09 per diluted share) of research settlement-related expenses.

Net revenues were $5.3 billion in the second quarter of 2003, 7% higher than the

2002 second quarter. Commissions revenues were $1.0 billion, 14% below the 2002 second quarter due primarily to reduced mutual fund and listed equity revenues from private clients. Principal transactions revenues increased 51% from the second quarter of 2002 to $1.1 billion, due principally to increased debt markets trading revenues. Underwriting revenues were $565 million, 13% higher than the 2002 second quarter, reflecting higher levels of both equity and debt underwriting revenues, which are reflected in GMI underwriting revenues and GPC principal transactions and new issue revenues. Strategic advisory revenues declined 31% to $133 million from the 2002 second quarter due to reduced market activity levels. Asset management and portfolio service fees were $1.2 billion, down 11% from the second quarter of 2002 primarily as a result of market-driven declines in equity assets under management and a reduction in portfolio servicing fees, a large portion of which are calculated on beginning-of-period asset values. Other revenues were $271 million, up 24% from the 2002 second quarter due primarily to increased realized gains related to sales of mortgages. Net interest profit was $1.1 billion, up 32% from the 2002 second quarter due primarily to a favorable yield curve environment.

Compensation and benefits expenses were 50.3% of net revenues for the second quarter of 2003, compared to 51.9% in the year-ago quarter. Compensation and benefits expenses were $2.7 billion in the second quarter of 2003, an increase of 4% from the 2002 second quarter. This increase is due primarily to higher incentive compensation accruals reflecting increased profitability.

Non-compensation expenses were $1.2 billion in the second quarter of 2003, a decrease of $259 million, or 18%, from the 2002 second quarter (a decline of 7% excluding the September 11-related net recovery in 2003 and research settlement-related expenses in 2002). Communications and technology costs were $357 million, down 13% from the second quarter of 2002 due primarily to reduced communications costs and lower technology equipment depreciation and rental costs. Advertising and market development expenses were $113 million, down 25% from the second quarter of 2002 due primarily to reduced spending on travel and lower levels of advertising. Office supplies and postage were $50 million in the 2003 second quarter, a decrease of 23% from the year-ago quarter, due to efficiency initiatives. Other expenses were $186 million in the 2003 second quarter, an increase of 14% from the 2002 second quarter due to higher legal provisions.

The September 11-related net recovery in the second quarter of 2003 includes a partial pre-tax insurance reimbursement of $75 million, offset by September 11-related costs of $14 million. The insurance reimbursement represents a partial business interruption settlement for GMI and is recorded as a reduction of expenses in that segment. The costs were related to ongoing refurbishment of the World Financial Center and were recorded in the Corporate segment. Research settlement-related expenses in the 2002 second quarter included the $100 million payment agreed to as part of the settlement agreement with the New York State Attorney General, and related costs.

Year-to-date Results of Operations

For the first six months of 2003, net earnings were $1.7 billion, up 33% from $1.3 billion for the corresponding period in 2002, on net revenues that were essentially unchanged, at $10.2 billion. Compensation and benefits expenses for the first six months of 2003 were essentially unchanged from the year-ago period, at $5.2 billion as higher earnings-related compensation was offset by lower staffing levels. Non-compensation expenses totaled $2.5 billion for the first six months of 2003, a decline of 12% from the year-ago period (a decline of 7% excluding the September 11-related net insurance recovery in 2003 and research settlement-related expenses in 2002). This decrease reflects the results of the 2001 restructuring program and continued operating discipline in managing costs. Year-to-date earnings per common share were $1.89 basic and $1.77 diluted, compared with $1.47 basic and $1.33 diluted in the first six months of 2002. The pre-tax profit margin for the first six months of 2003 was 24.5%, up from 19.5% in the year-ago period. Annualized return on average common stockholder's equity was 14.4% for the first six months of 2003 compared to 12.3% for the comparable period in 2002.

Merrill Lynch's year-to-date effective tax rate was 27.6%. The full year 2002 effective tax rate was 28.0%.

BUSINESS SEGMENTS

Merrill Lynch reports its results in three business segments: the Global Markets and Investment Banking Group ("GMI"), Global Private Client ("GPC"), and Merrill Lynch Investment Managers ("MLIM"). GMI provides capital markets and investment banking services to corporate, institutional, and governmental clients around the world. GPC provides global wealth management products and services to individuals, small- to mid-size businesses, and employee benefit plans. MLIM provides asset management services to individual, institutional and corporate clients.

Certain MLIM and GMI products are distributed through GPC distribution channels, and, to a lesser extent, certain MLIM products are distributed through GMI. Revenues and expenses associated with these inter-segment activities are recognized in each segment and eliminated at the corporate level. In addition, revenue and expense sharing agreements for shared activities between segments are in place and the results of each segment reflect the agreed-upon portion of these activities. The following segment results represent the information that is relied upon by management in its decision-making processes. These results exclude items reported in the Corporate segment. Business segment results are restated to reflect reallocations of revenues and expenses, which result from changes in Merrill Lynch's business strategy and structure.

GLOBAL MARKETS AND INVESTMENT BANKING

GMI'S RESULTS OF OPERATIONS

(dollars in millions)	For the Three Months Ended June 27, 2003	June 28, 2002	% Inc. (Dec.)	For the Six Months Ended June 27, 2003	June 28, 2002	% Inc. (Dec.)
Commissions	$ 476	$ 531	(10)	$ 987	$1,073	(8)
Principal transactions and net interest profit	1,653	951	74	3,082	2,052	50
Investment banking	532	624	(15)	965	1,215	(21)
Other revenues	225	204	10	313	354	(12)
Total net revenues	2,886	2,310	25	5,347	4,694	14
Non-interest expenses	1,773	1,663	7	3,445	3,403	1
Pre-tax earnings	$1,113	$ 647	72	$1,902	$1,291	47
Pre-tax profit margin	38.6 %	28.0 %		35.6 %	27.5 %	

In an environment characterized by continued exceptional conditions for fixed income, but also improving equity markets, GMI demonstrated the benefits of diverse revenue sources that leverage its extensive client relationships and product capabilities while maintaining a selective approach to risk-taking. GMI achieved a record pre-tax profit margin during both the second quarter and six month periods of 2003. Also evident in the quarter were GMI's scale and distribution advantages in secondary equities, and Merrill Lynch's ability to structure and deliver innovative solutions for clients by integrating expertise from across the firm. Contributions from the European debt markets business and the European and Pacific Rim equity businesses were particularly strong.

Net revenues were $2.9 billion in the 2003 second quarter, an increase of 25% from the year-ago quarter. GMI's second quarter pre-tax earnings were $1.1 billion, 72% higher than the 2002 second quarter. The 2003 second quarter results include a September 11-related $75 million partial pre-tax insurance reimbursement, which was recorded as a reduction of non-interest expenses. GMI's pre-tax profit margin was 38.6%, as compared to 28.0% in the second quarter of 2002. Excluding the insurance recovery, GMI's pre-tax earnings were $1.0 billion and the pre-tax margin was 36.0%. Total non-interest expenses were $1.8 billion, up from $1.7 billion in the 2002 second quarter, due primarily to higher incentive compensation accruals associated with increased earnings.

For the first six months of 2003, GMI pre-tax earnings were $1.9 billion, up 47% from the prior year period, on net revenues that rose 14%, to $5.3 billion. The year-to-date pre-tax profit margin increased to 35.6%, compared with 27.5% in the same period last year. Excluding the insurance recovery, GMI's year-to-date pre-tax earnings were $1.8 billion and the pre-tax margin was 34.2%.

CLIENT FACILITATION AND TRADING

Commissions

Commissions revenues primarily arise from agency transactions in listed and over-the-counter equity securities, money market instruments, options and commodities.

Commissions revenues in the second quarter of 2003 decreased 10% compared to the year-ago quarter, to $476 million, primarily as a result of a global decline in equity trading volumes and prices. Year-to-date commissions revenues decreased 8% compared to the first six months of 2002, to $1.0 billion.

<TABLE>
<CAPTION>
Principal transactions and net interest profit

	For the Three Months Ended			For the Six Months Ended		
(dollars in millions)	June 27, 2003	June 28, 2002	% Inc.	June 27, 2003	June 28, 2002	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Debt and debt derivatives	$ 1,372	$ 826	66	$ 2,597	$ 1,546	68
Equities and equity derivatives	281	125	125	485	506	(4)
Total	$ 1,653	$ 951	74	$ 3,082	$ 2,052	50

</TABLE>

Principal transactions revenues include realized gains and losses from the purchase and sale of securities in which Merrill Lynch acts as principal, and unrealized gains and losses on trading assets and liabilities. In addition, principal transactions revenues include unrealized gains related to equity investments held by Merrill Lynch's broker-dealers.

Net interest profit is a function of the level and mix of total assets and liabilities, including trading assets owned, the investment portfolio of Merrill Lynch's U.S. banks, financing and lending transactions, trading strategies associated with GMI's institutional securities business, and the prevailing level, term structure, and volatility of interest rates. Net interest profit is an integral component of trading activity.

In assessing the profitability of its client facilitation and trading activities, Merrill Lynch views principal transactions and net interest profit in the aggregate as net trading revenues. Changes in the composition of trading inventories and hedge positions can cause the mix of principal transactions and net interest profit to fluctuate. Net trading revenues were $1.7 billion in the second quarter of 2003, up 74% from $951 million in the second quarter of 2002. Debt and debt derivatives net trading revenues were $1.4 billion, up 66% from the second quarter of 2002, reflecting increased trading of interest rate and credit products due to a favorable yield curve environment and proprietary positioning. Equities and equity derivatives net trading revenues increased 125% from the second quarter of 2002 to $281 million, due primarily to higher equity-linked trading revenues.

On a year-to-date basis, net trading revenues increased 50% from to the first six months of 2002, to $3.1 billion, due primarily to an increase of 68% in debt and debt derivatives revenues.

<TABLE>
<CAPTION>
Investment Banking

	For the Three Months Ended			For the Six Months Ended		
(dollars in millions)	June 27, 2003	June 28, 2002	% Inc. (Dec.)	June 27, 2003	June 28, 2002	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Debt underwriting	$ 228	$ 194	18	$ 404	$ 295	37
Equity underwriting	167	236	(29)	299	543	(45)
Total underwriting	395	430	(8)	703	838	(16)
Strategic advisory services	137	194	(29)	262	377	(31)
Total	$ 532	$ 624	(15)	$ 965	$1,215	(21)

</TABLE>

Underwriting

Underwriting revenues represent fees earned from the underwriting of debt and equity and equity-linked securities as well as loan syndication and commitment fees.

Underwriting revenues in the 2003 second quarter were $395 million, down 8% from the $430 million recorded in the second quarter of 2002. An increase in debt underwriting revenues of 18% was more than offset by lower equity

underwriting revenues due to a lower volume of transactions. Merrill Lynch ranked fourth in global debt and sixth in global equity and equity-linked underwriting in the second quarter of 2003 with a 6.6% and 7.8% market share, respectively. Merrill Lynch's debt underwriting focus has shifted toward higher margin businesses and away from the achievement of aggregate market share goals; however debt transactions are highly competitive and not all transactions are profitable.

Year-to-date underwriting revenues decreased 16% to $703 million from $838 million in the first six months of 2002, as a 37% increase in debt underwriting revenues was more than offset by a decrease in equity underwriting revenues. Merrill Lynch's underwriting market share information based on transaction value follows:

<TABLE>
<CAPTION>

	For the Three Months Ended			
	June 2003		June 2002	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
GLOBAL PROCEEDS				
Debt and Equity	6.6%	4	8.4%	2
Debt	6.6	4	8.3	3
Equity and equity-linked	7.8	6	9.4	3
U.S. PROCEEDS				
Debt and Equity	8.6%	4	10.7%	2
Debt	8.4	4	10.5	2
Equity and equity-linked	11.0	5	14.5	2

Source: Thomson Financial Securities Data statistics based on full credit to book manager.

	For the Six Months Ended			
	June 2003		June 2002	
	Market Share	Rank	Market Share	Rank
GLOBAL PROCEEDS				
Debt and Equity	6.9%	3	8.7%	2
Debt	6.9	3	8.4	2
Equity and equity-linked	7.9	5	11.8	3
U.S. PROCEEDS				
Debt and Equity	8.9%	2	11.1%	2
Debt	8.7	2	10.6	2
Equity and equity-linked	11.9	5	17.1	2

Source: Thomson Financial Securities Data statistics based on full credit to book manager
</TABLE>

Strategic Advisory Services

Strategic advisory services revenues, which include merger and acquisition and other advisory fees, were $137 million in the second quarter of 2003, down 29% from the second quarter of 2002 as industry-wide completed mergers and acquisitions activity continued to contract and market share globally declined. Year-to-date strategic advisory services revenues similarly decreased from the year-ago period by 31%, to $262 million. Merrill Lynch's merger and acquisition market share information based on transaction value is as follows:
<TABLE>
<CAPTION>

	For the Three Months Ended			
	June 2003		June 2002	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
COMPLETED TRANSACTIONS				
Global	10.4 %	8	19.8 %	4
U.S.	9.8	6	13.8	6

	Market Share	Rank	Market Share	Rank
ANNOUNCED TRANSACTIONS				
Global	17.8 %	3	9.2 %	10
U.S.	26.3	2	7.4	8

Source: Thomson Financial Securities Data statistics based on full credit to both target and acquiring companies' advisors.
</TABLE>

<TABLE>
<CAPTION>

	For the Six Months Ended			
	June 2003		June 2002	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
COMPLETED TRANSACTIONS				
Global	12.8 %	6	20.8 %	3
U.S.	16.3	5	17.2	6
ANNOUNCED TRANSACTIONS				
Global	16.1 %	4	15.2 %	5
U.S.	18.7	4	10.4	7

Source: Thomson Financial Securities Data statistics based on full credit to both target and acquiring companies' advisors.
</TABLE>

Other Revenues

Other revenues, which include realized investment gains and losses and distributions on equity investments, were $225 million in the second quarter of 2003 as compared to $204 million in the year-ago quarter. Year-to-date other revenues were $313 million, down from $354 million in the year-ago period. Included in the year-to-date 2002 other revenues was a $45 million pre-tax gain on the sale of the Securities Pricing Services business.

GLOBAL PRIVATE CLIENT

<TABLE>
<CAPTION>
GPC'S RESULTS OF OPERATIONS

	For the Three Months Ended			For the Six Months Ended		
(dollars in millions)	June 27, 2003	June 28, 2002	% Inc. (Dec.)	June 27, 2003	June 28, 2002	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commissions	$ 541	$ 653	(17)	$1,079	$1,320	(18)
Principal transactions and new issue revenues	352	317	11	652	632	3
Asset management and portfolio service fees	833	936	(11)	1,645	1,849	(11)
Net interest profit	333	346	(4)	655	692	(5)
Other revenues	69	16	331	198	74	168
Total net revenues	2,128	2,268	(6)	4,229	4,567	(7)
Non-interest expenses	1,787	1,928	(7)	3,621	3,956	(8)
Pre-tax earnings	$ 341	$ 340	0	$ 608	$ 611	(0)
Pre-tax profit margin	16.0 %	15.0 %		14.4 %	13.4 %	

- ---
</TABLE>

GPC's second quarter 2003 pre-tax earnings were $341 million, essentially unchanged from the 2002 second quarter. Non-interest expenses declined $141 million, or 7%, from the second quarter of 2002, to $1.8 billion. This reduction in non-interest expenses offsets a 6% decline in net revenues from the year ago quarter, to $2.1 billion. GPC's pre-tax margin was 16.0%, one percentage point higher than the year-ago quarter.

GPC's year-to-date net revenues were $4.2 billion, down 7% from the corresponding period of 2002. Pre-tax earnings were $608 million, essentially unchanged from the first six months of 2002. GPC's year-to-date pre-tax margin was 14.4%, up from 13.4% in the year-ago period.

GPC employed approximately 13,300 Financial Advisors at the end of the 2003 second quarter, down from 14,000 at the end of 2002 due to attrition combined with reduced hiring in the United States.

Commissions
Commissions revenues primarily arise from agency transactions in listed and over-the-counter equity securities, as well as sales of mutual funds, insurance products, and options.

Commissions revenues declined 17% to $541 million in the second quarter of 2003 from $653 million in the second quarter of 2002. Commissions revenues for the first half of 2003 were $1.1 billion, 18% lower than the first half of 2002. These decreases are due primarily to a global decline in transaction volumes, particularly in mutual funds and listed equities.

Principal transactions and new issue revenues
GPC's principal transactions and new issue revenues primarily represent bid-offer revenues in over-the-counter equity securities, government bonds and municipal securities, as well as selling concessions on underwriting of debt and equity products. GPC does not take any significant principal trading risk positions.

Principal transactions and new issue revenues were $352 million, 11% higher than the 2003 second quarter due to an increase in new issue revenues. Year-to-date revenues were $652 million, up 3% from the year year-ago period.

Asset management and portfolio service fees
Asset management and portfolio service fees include asset management fees from taxable and tax-exempt money market funds which totaled $64.5 billion and $69.0 billion on an average basis for the quarters ended June 27, 2003 and June 28, 2002, respectively. Also included are portfolio fees from fee-based accounts such as Unlimited AdvantageSM and Merrill Lynch Consults(R) as well as servicing fees related to these accounts, and certain other account-related fees.

Asset management and portfolio service fees totaled $833 million, down 11% from the $936 million recorded in the second quarter of 2002. On a year-to-date basis, asset management and portfolio service fees totaled $1.6 billion, also down 11% from the year-ago period. These declines result from the market-driven decline in the value of asset-priced accounts at the beginning of the quarter, when a large portion of these fees are calculated.

An analysis of changes in assets in GPC accounts from June 28, 2002 to June 27, 2003 is detailed below:
<TABLE>
<CAPTION>

		Net Changes Due To		
(dollars in billions)	June 28, 2002	New Money	Asset Depreciation	June 27, 2003
<S>	<C>	<C>	<C>	<C>
Assets in GPC accounts				
U.S.	$1,076	$8	$(8)	$1,076
Non U.S.	94	(2)	-	92
Total	$1,170	$6	$(8)	$1,168

</TABLE>

Total assets in GPC accounts in the United States were unchanged from the end of the 2002 first quarter, at $1.1 trillion at June 27, 2003. Net new money inflows of $8 billion were entirely offset by asset depreciation. Outside the United States, client assets were $92 billion, down from $94 billion at the end of the year-ago quarter. Total assets in asset-priced accounts were $200 billion at the

end of the 2003 second quarter, up 4% from $192 billion at the end of the 2002 second quarter.

Net interest profit

Net interest profit for GPC includes GPC's allocation of the interest spread earned in Merrill Lynch's banks for deposits as well as interest earned on margin and other loans.

Net interest profit was $333 million in the 2003 second quarter, down 4% from $346 million in the second quarter of 2002. Net interest profit for the first six months of 2003 was $655 million, 5% lower than the comparable period of 2002. These decreases in net interest profit resulted from lower margin balances and a reduction in the related interest rates.

Other revenues

Other revenues were $69 million in the second quarter of 2003, compared to $16 million in the year-ago period. Other revenues for the first half of 2003 increased to $198 million from $74 million in the same period in 2002. These increases are due primarily to increased realized gains related to sales of mortgages.

MERRILL LYNCH INVESTMENT MANAGERS

MLIM'S RESULTS OF OPERATIONS

(dollars in millions)	For the Three Months Ended June 27, 2003	June 28, 2002	% (Dec.)	For the Six Months Ended June 27, 2003	June 28, 2002	% (Dec.)
Commissions	$ 35	$ 51	(31)	$ 67	$ 105	(36)
Asset management fees	309	356	(13)	609	723	(16)
Other revenues	(14)	4	(450)	(9)	26	(135)
Total net revenues	330	411	(20)	667	854	(22)
Non-interest expenses	263	322	(18)	554	651	(15)
Pre-tax earnings	$ 67	$ 89	(25)	$113	$ 203	(44)
Pre-tax profit margin	20.3 %	21.7 %		16.9 %	23.8 %	

MLIM continued to demonstrate superior relative investment performance for the 1-, 3- and 5-year periods ended June 2003. For each of these periods, more than 70% of MLIM's global assets under management were ahead of their benchmark or category median. The decline in equity market values over the past year adversely affected MLIM's second quarter results as compared to the prior year.

MLIM's pre-tax earnings in the 2003 second quarter were $67 million, down 25% from $89 million in the 2002 second quarter as net revenues decreased 20% from the year ago period to $330 million, primarily reflecting a market-driven decline in equity assets under management as well as the shift of assets by clients from higher fee equity funds to lower fee fixed income and money market funds. The net revenue decrease was partially offset by a reduction in non-interest expenses, which declined 18% from the year ago period, to $263 million. Within its overall cost savings, MLIM's favorable year-over-year expense comparison included increased litigation expenses, which were partially offset by a reduction in charges for corporate shared services. Net revenues are dependent on levels of assets under management, and, accordingly, are susceptible to a decline in equity market valuations. The pre-tax margin was 20.3% in the second quarter of 2003 compared to 21.7% in the year-ago quarter.

Year-to-date, MLIM's pre-tax earnings were $113 million, 44% lower than for the first six months of 2002 on net revenues that were 22% lower at $667 million. MLIM's year-to-date pre-tax margin was 16.9%, compared with 23.8% for the same

period last year. MLIM's year-to-date 2002 results included a pre-tax gain of $17 million related to the sale of its Canadian asset management business.

Commissions

Commissions for MLIM principally consist of distribution fees and redemption fees related to mutual funds. The distribution fees represent revenues earned for promoting and distributing mutual funds ("12b-1 fees"). As a result of lower transaction volumes and the impact of lower market values, commissions decreased 31% to $35 million in the 2003 second quarter from the year-ago quarter. Year-to-date commissions similarly decreased 36%, to $67 million.

Asset management fees

Asset management fees primarily consist of fees earned from the management and administration of funds as well as performance fees earned by MLIM on separately managed accounts. Asset management fees were $309 million, a decline of 13% from the second quarter of 2002 primarily as a result of market-driven declines in the value of equity assets under management as well as the shift of assets by clients from higher yielding equity funds to lower yielding fixed income and money market funds. At the end of the second quarter of 2003, assets under management totaled $471 billion, compared with $499 billion at the end of the second quarter of 2002. On a year-to-date basis, asset management fees decreased 16% to $609 million.

An analysis of changes in assets under management from June 28, 2002 to June 27, 2003 is as follows:

<TABLE>
<CAPTION>

		Net Changes Due To			
(dollars in billions)	June 28, 2002	New Money	Asset Depreciation	Other (1)	June 27, 2003
<S>	<C>	<C>	<C>	<C>	<C>
Assets under management	$499	$(15)	$(14)	$1	$471

(1) Includes reinvested dividends, the impact of foreign exchange movements, net outflows of retail money market funds and other changes.

</TABLE>

Other Revenues

Other revenues, which primarily include net interest profit and investment gains and losses, totaled $(14) million and $4 million for the second quarter of 2003 and 2002, respectively. Other revenues in the second quarter of 2003 reflect the write-down of certain assets. Other revenues for the first six months of 2002 included a $17 million pre-tax gain on the sale of the Canadian retail asset management business.

AVERAGE ASSETS AND LIABILITIES

Management continually monitors and evaluates the level and composition of the balance sheet.

For the first six months of 2003, average total assets were $486 billion, up 5% from $462 billion for the full-year 2002. Average total liabilities increased 5% to $460 billion from $438 billion for the full-year 2002. Average total assets and liabilities for the first six months of 2003 include the following changes as compared to the full-year 2002:

<TABLE>
<CAPTION>

(dollars in millions)	Increase/ (Decrease)	Change
<S>	<C>	<C>
AVERAGE ASSETS		
Trading assets	$11,071	11 %
Loans, notes and mortgages (net)	9,028	32
Receivables under resale agreements	8,183	11
Receivables under securities borrowed transactions	(4,635)	(7)
AVERAGE LIABILITIES		
Payables under repurchase agreements	$12,291	12 %
Trading liabilities	6,987	9

Loans, notes and mortgages were up substantially from 2002 due to increased GPC mortgage and small and middle market business loan originations by Merrill Lynch Bank USA and its subsidiaries. Additionally, securities financing transactions rose primarily due to increased inventory financing.

OFF BALANCE SHEET ARRANGEMENTS, CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES AND COMMITMENTS

As a part of its normal operating strategy, Merrill Lynch enters into various contractual obligations, contingent liabilities and commitments, which may require future payments. The table below outlines the significant contractual obligations, contingent liabilities, and commitments, as well as the future expiration as of June 27, 2003:

(dollars in millions)

		Commitment expiration			
	Total	Less than 1 year	1 - 3 years	3+ - 5 years	Over 5 years
Total commitments (Note 10)	$77,309	$56,614	$ 6,019	$ 8,071	$ 6,605
Long-term borrowings	79,062	20,859	24,864	11,264	22,075
Short-term borrowings	5,517	5,517	-	-	-
Contractual agreements(1)	44,593	6,630	11,576	5,882	20,505
Liquidity and facilities with SPEs(2)(3)	14,125	13,155	970	-	-
Liquidity and default facilities with SPEs	2,658	2,215	170	1	272
Residual value guarantees(4)	1,712	70	54	355	1,233
Standby letters of credit and other performance guarantees	494	348	44	15	87

(1) Represents the liability balance of contractual agreements at June 27, 2003.
(2) Amounts relate primarily to facilities provided to municipal bond securitization SPEs.
(3) Includes $3.3 billion of guarantees provided to SPEs by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if losses occur, and has up to one year to fund losses.
(4) Includes residual value guarantees associated with the Hopewell campus and aircraft leases of $325 million.

Refer to Note 10 to the Condensed Consolidated Financial Statements for additional information.

CAPITAL ADEQUACY AND FUNDING

The primary objectives of Merrill Lynch's capital structure and funding policies are to support the successful execution of the firm's business strategies while ensuring:
- sufficient equity capital to absorb losses and,
- liquidity at all times, across market cycles, and through periods of financial stress.

These objectives and Merrill Lynch's capital structure and funding policies are discussed more fully in the Annual Report on Form 10-K for the year ended December 27, 2002.

Capital Adequacy

At June 27, 2003, Merrill Lynch's equity capital was comprised of $24.4 billion in common equity, $425 million in preferred stock, and $2.7 billion of preferred securities issued by subsidiaries. Preferred securities issued by subsidiaries are Trust Originated Preferred SecuritiesSM ("TOPrS"SM). Based on the risks and equity needs of its businesses, Merrill Lynch believes that its equity capital base of $27.4 billion is adequate.

Funding

Commercial paper outstanding totaled $4.8 billion at June 27, 2003 and $4.0 billion at December 27, 2002, which was approximately 6% and 5% of total unsecured borrowings at June 27, 2003 and year-end 2002, respectively. Deposits at Merrill Lynch's banking subsidiaries totaled $80.5 billion at June 27, 2003, down from $81.8 billion at year-end 2002. Of the $80.5 billion of deposits in Merrill Lynch banking subsidiaries as of June 27, 2003, $66.4 billion were in U.S. banks. Outstanding long-term borrowings increased to $79.1 billion at June 27, 2003 from $78.5 billion at December 27, 2002. Major components of the change in long-term borrowings during the first six months of 2003 are as follows:

(dollars in billions)

Balance at December 27, 2002	$78.5
Issuances	13.9
Maturities	(14.6)
Other, net	1.3
Balance at June 27, 2003 (1)	$79.1

(1) At June 27, 2003, $58.2 billion of long-term borrowings had maturity dates beyond one year.

As a part of its overall liquidity risk management practices, Merrill Lynch seeks to ensure availability of sufficient alternative funding sources to enable the repayment of all unsecured debt obligations maturing within one year without issuing new unsecured debt or requiring liquidation of business assets. The main alternative funding sources to unsecured borrowings are repurchase agreements, securities loaned, and other secured borrowings, which require pledging unencumbered securities held for trading or investment purposes.

Merrill Lynch also maintains a separate liquidity portfolio of U.S. Government and agency obligations and asset-backed securities of high credit quality that is funded with debt with an average maturity greater than one year. The carrying value of this portfolio, net of related hedges, was $14.2 billion and $12.6 billion at June 27, 2003 and December 27, 2002, respectively. These assets may be sold or pledged to provide immediate liquidity to ML & Co. to repay maturing debt obligations. In addition to this portfolio, the firm monitors the extent to which other unencumbered assets are available as a source of funds during a liquidity event.

Merrill Lynch also maintained a committed, multi-currency, unsecured bank credit facility that totaled $3.0 billion at June 27, 2003 and $3.5 billion at December 27, 2002 and was not drawn upon. On May 8, 2003, Merrill Lynch renewed the bank credit facility in the amount of $3.0 billion for 364 days. Merrill Lynch elected to reduce the amount of the facility considering the company's funding profile and the availability of the liquidity portfolio of segregated securities that may be sold or pledged to provide immediate liquidity.

Credit Ratings

The cost and availability of unsecured funding are impacted by credit ratings and market conditions. In addition, credit ratings are important when competing in certain markets and when seeking to engage in long-term transactions including over-the-counter derivatives. Factors that influence Merrill Lynch's credit ratings include the rating agencies' assessment of the general operating environment, Merrill Lynch's relative positions in the markets in which it competes, reputation, level and volatility of earnings, risk management policies, liquidity and capital management.

Merrill Lynch's senior long-term debt, preferred stock, and TOPrSSM were rated by several recognized credit rating agencies at August 6, 2003 as indicated below. These ratings do not reflect outlooks that may be expressed by the rating agencies from time to time, which are currently stable or negative.

Rating Agency	Senior Debt Ratings	Preferred Stock Ratings	TOPrSSM Ratings
Dominion Bond Rating Service Ltd	AA(Low)	Not Rated	Not Rated
Fitch Ratings	AA-	A+	A+
Moody's Investors Service, Inc.	Aa3	A2	A1
Rating and Investment Information, Inc. (1)	AA	A+	A+
Standard & Poor's Ratings Services	A+	A-	A-

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(1) Located in Japan
</TABLE>

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RISK MANAGEMENT

- --

Risk-taking is an integral part of Merrill Lynch's core business activities. In the course of conducting its business operations, Merrill Lynch is exposed to a variety of risks. These risks include market, credit, liquidity, process, and other risks that are material and require comprehensive controls and management. The responsibility and accountability for these risks remain primarily with the individual business units. For a full discussion of Merrill Lynch's risk management framework, see the Annual Report on Form 10-K for the year ended December 27, 2002.

Market Risk

Value-at-risk ("VaR") is an estimate within a specified degree of confidence of the amount that Merrill Lynch's present portfolios could lose over a given time interval. Merrill Lynch's overall VaR is less than the sum of the VaRs for individual risk categories because movements in different risk categories occur at different times and, historically, extreme movements have not occurred in all risk categories simultaneously. The difference between the sum of the VaRs for individual risk categories and the VaR calculated for all risk categories is shown in the following tables and may be viewed as a measure of the diversification within Merrill Lynch's portfolios. Merrill Lynch believes that the tabulated risk measures provide some guidance as to the amount Merrill Lynch could lose in future periods and it works continuously to improve the methodology and measurement of its VaR. However, like all statistical measures, especially those that rely heavily on historical data, VaR needs to be interpreted with a clear understanding of its assumptions and limitations.

The Merrill Lynch VaR system uses a historical simulation approach to estimate VaR across several confidence levels and holding periods. Sensitivities to market risk factors are aggregated and combined with a database of historical weekly changes in market factors to simulate a series of profits and losses. The level of loss that is exceeded in that series 5% of the time is used as the estimate for the 95% confidence level VaR. The tables below show VaR using a 95% confidence level and a weekly holding period for trading and non-trading portfolios. In addition to the overall VaR, which reflects diversification in the portfolio, VaR amounts are presented for major risk categories, including exposure to volatility risk found in certain products, e.g., options. The table that follows presents Merrill Lynch's VaR for its trading portfolios at June 27, 2003 and December 27, 2002 as well as daily average VaR for the three months ended June 27, 2003. Additionally, high and low VaR for the second quarter of 2003 is presented independently for each risk category and overall.

<TABLE>
<CAPTION>

(dollars in millions)	June 27, 2003	Dec. 27, 2002	High 2Q03	Low 2Q03	Average 2Q03	Average 1Q03
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Trading value-at-risk(1)						
Interest rate and credit spread	$ 62	$ 42	$ 75	$ 38	$ 52	$ 59
Equity	38	36	38	23	29	36
Commodity	2	-	2	-	-	-
Currency	1	3	7	-	2	4
Volatility	27	19	34	20	24	19
	130	100			107	118
Diversification benefit	(59)	(48)			(48)	(54)
Overall(2)	$ 71	$ 52	$ 83	$ 40	$ 59	$ 64

(1) Based on a 95% confidence level and a one-week holding period.
(2) Overall VaR using a 95% confidence level and a one-day holding period was $29 million at June 27, 2003 and $25 million at year-end 2002.
</TABLE>

The following table presents Merrill Lynch's VaR for its non-trading portfolios (including Merrill Lynch's U.S. banks and Merrill Lynch's LYONS(R)):

(dollars in millions)	June 27, 2003	Dec. 27, 2002
Non-trading value-at-risk(1)		
Interest rate and credit spread	$ 92	$ 89
Equity	26	27
Currency	4	3
Volatility	13	13
	135	132
Diversification benefit	(32)	(42)
Overall	$ 103	$ 90

(1) Based on a 95% confidence level and a one-week holding period.

Credit Risk

Merrill Lynch enters into International Swaps and Derivatives Association, Inc. master agreements or their equivalent ("master netting agreements") with substantially all of its derivative counterparties as soon as possible. The agreements are negotiated with each counterparty and are complex in nature. While every effort is taken to execute such agreements, it is possible that a counterparty may be unwilling to sign such an agreement, and as a result, would subject Merrill Lynch to additional credit risk. Master netting agreements provide protection in bankruptcy in certain circumstances and, in some cases, enable receivables and payables with the same counterparty to be offset on the Consolidated Balance Sheets, providing for a more meaningful balance sheet presentation of credit exposure. However, the enforceability of master netting agreements under bankruptcy laws in certain countries or in certain industries is not free from doubt and receivables and payables with counterparties in these countries or industries are accordingly recorded on a gross basis.

In addition, to reduce default risk, Merrill Lynch requires collateral, principally cash and U.S. Government and agency securities, on certain derivative transactions. From an economic standpoint, Merrill Lynch evaluates default risk exposures net of related collateral. The following is a summary of counterparty credit ratings for the replacement cost (net of $13.0 billion of collateral) of trading derivatives in a gain position by maturity at June 27, 2003. (Please note that the following table is inclusive of credit exposure from derivative transactions only and does not include other material credit exposures).

(dollars in millions)

Credit Rating(1)	Years to Maturity 0-3	3+- 5	5+- 7	Over 7	Cross-Maturity Netting(2)	Total
AAA	$ 1,541	$ 831	$ 653	$ 2,192	$ (548)	$ 4,669
AA	3,487	2,238	1,224	3,258	(3,065)	7,142
A	5,770	1,464	1,459	3,810	(2,059)	10,444
BBB	1,555	1,152	469	1,214	(978)	3,412
Other	1,096	424	228	317	(103)	1,962
Total	$ 13,449	$ 6,109	$ 4,033	$ 10,791	$ (6,753)	$ 27,629

(1) Represents credit rating agency equivalent of internal credit ratings.
(2) Represents netting of payable balances with receivable balances for the same counterparty across maturity band categories. Receivable and payable balances with the same counterparty in the same maturity category, however, are net within the maturity category.

In addition to obtaining collateral, Merrill Lynch attempts to mitigate its default risk on derivatives whenever possible by entering into transactions with provisions that enable Merrill Lynch to terminate or reset the terms of its derivative contracts.

In March 2003, Merrill Lynch invested approximately $1 billion in UFJ Strategic Partner Co., Ltd., a subsidiary of UFJ Holdings (one of the four largest Japanese banks) created to hold, manage, and resolve various non-performing and sub-performing UFJ loans. This investment will be carried under the equity

method of accounting and no profit or loss was recognized in the 2003 second quarter.

NON-INVESTMENT GRADE HOLDINGS AND HIGHLY LEVERAGED TRANSACTIONS

Non-investment grade holdings and highly leveraged transactions involve risks related to the creditworthiness of the issuers or counterparties and the liquidity of the market for such investments. Merrill Lynch recognizes that these risks are inherent in the business and may employ strategies to mitigate exposures. The specific components and overall level of non-investment grade and highly-leveraged positions may vary significantly from period to period as a result of inventory turnover, investment sales, and asset redeployment.

In the normal course of business, Merrill Lynch underwrites, trades, and holds non-investment grade cash instruments in connection with its investment banking, market-making, and derivative structuring activities. Non-investment grade holdings have been defined as debt and preferred equity securities rated lower than BBB, or equivalent ratings by recognized credit rating agencies, sovereign debt in emerging markets, amounts due under derivative contracts from non-investment grade counterparties, and other instruments that, in the opinion of management, are non-investment grade.

In addition to the amounts included in the following table, derivatives may also expose Merrill Lynch to credit risk related to the underlying security where a derivative contract either synthesizes ownership of the underlying security (e.g., long total return swaps) or can potentially force ownership of the underlying security (e.g., short put options). Derivatives may also subject Merrill Lynch to credit spread or issuer default risk, in that changes in credit spreads or in the credit quality of the underlying securities may adversely affect the derivatives' fair values. Merrill Lynch may seek to mitigate these risks in certain circumstances by engaging in various hedging strategies to reduce its exposure associated with non-investment grade positions, such as purchasing an option to sell the related security or entering into other offsetting derivative contracts.

Merrill Lynch provides financing and advisory services to, and invests in, companies entering into leveraged transactions, which may include leveraged buyouts, recapitalizations, and mergers and acquisitions. Merrill Lynch provides extensions of credit to leveraged companies in the form of senior and subordinated debt, as well as bridge financing on a select basis. In addition, Merrill Lynch may syndicate loans for non-investment grade companies or in connection with highly leveraged transactions and may retain a residual portion of these loans.

Merrill Lynch holds direct equity investments in leveraged companies and interests in partnerships that invest in leveraged transactions. Merrill Lynch has also committed to participate in limited partnerships that invest in leveraged transactions. Future commitments to participate in limited partnerships and other direct equity investments will be made on a select basis.

TRADING EXPOSURES

The following table summarizes Merrill Lynch's trading exposure to non-investment grade or highly leveraged issuers or counterparties:

<TABLE>
<CAPTION>
(dollars in millions)

<S>	June 27, 2003 <C>	Dec. 27, 2002 <C>
Trading assets:		
Cash instruments	$ 6,550	$ 4,825
Derivatives	4,304	5,016
Trading liabilities - cash instruments	(1,698)	(1,352)
Collateral on derivative assets	(2,342)	(2,581)
Net trading asset exposure	$ 6,814	$ 5,908

</TABLE>

Included in the preceding table are debt and equity securities and bank loans of companies in various stages of bankruptcy proceedings or in default. At June 27, 2003, the carrying value of such debt and equity securities totaled $191

million, of which 30% resulted from Merrill Lynch's market-making activities in such securities. This compared with $140 million at December 27, 2002, of which 29% related to market-making activities. Also included are distressed bank loans totaling $122 million and $203 million at June 27, 2003 and December 27, 2002, respectively.

NON-TRADING EXPOSURES

The following table summarizes Merrill Lynch's non-trading exposures to non-investment grade or highly leveraged corporate issuers or counterparties:

(dollars in millions)

	June 27, 2003	Dec. 27, 2002
Investment securities	$ 218	$ 300
Commercial loans (net of allowance for loan losses):		
Bridge loans	132	131
Other loans(1)	2,434	2,740
Other investments:		
Partnership interests(2)	1,729	1,749
Other equity investments(3)	805	583

(1) Includes accrued interest.
(2) Includes $851 million and $877 million in investments at June 27, 2003 and December 27, 2002, respectively, related to deferred compensation plans, for which a portion of the default risk of the investments rests with the participating employees.
(3) Includes investments in 111 and 130 enterprises at June 27, 2003 and December 27, 2002, respectively.

The following table summarizes Merrill Lynch's commitments with exposure to non-investment grade or highly-leveraged counterparties:

(dollars in millions)

	June 27, 2003	Dec. 27, 2002
Additional commitments to invest in partnerships (1)	$ 506	$ 500
Unutilized revolving lines of credit and other lending commitments	2,581	1,550

(1) Includes $110 million at June 27, 2003 and December 27, 2002, related to deferred compensation plans.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following is a summary of Merrill Lynch's critical accounting policies. For a full description of these and other accounting policies see Note 1 to the Consolidated Financial Statements in the 2002 Annual Report.

Use of Estimates

In presenting the Condensed Consolidated Financial Statements, Management makes estimates regarding certain trading inventory valuations, the outcome of litigation, the carrying amount of goodwill, the allowance for loan losses, the realization of deferred tax assets, tax reserves, insurance reserves, recovery of insurance deferred acquisition costs, and other matters that affect the reported amounts and disclosure of contingencies in the financial statements. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ from those estimates and could have a material impact on the Condensed Consolidated Financial Statements, and it is possible that such changes could occur in the near term. For more information regarding the specific methodologies used in determining estimates, refer to Use of Estimates in Note 1 of the 2002 Annual Report.

Valuation of Financial Instruments

Fair values for exchange traded securities and certain exchange-traded derivatives, principally futures and certain options, are based on quoted market

prices. Fair values for OTC derivative financial instruments, principally forwards, options, and swaps, represent amounts estimated to be received from or paid to a third party in settlement of these instruments. These derivatives are valued using pricing models based on the net present value of estimated future cash flows, and directly observed prices from exchange-traded derivatives, other OTC trades, or external pricing services. Obtaining the fair value for OTC derivative contracts requires the use of management judgment and estimates.

New and/or complex instruments may have immature or limited markets. As a result, the pricing models used for valuation often incorporate significant estimates and assumptions, which may impact the level of precision in the financial statements. For long-dated and illiquid contracts, extrapolation methods are applied to observed market data in order to estimate inputs and assumptions that are not directly observable. This enables Merrill Lynch to mark all positions consistently when only a subset of prices are directly observable. Values for non-exchange-traded derivatives are verified using observed information about the costs of hedging out the risk and other trades in the market. As the markets for these products develop, Merrill Lynch continually refines its pricing models based on experience to correlate more closely to the market risk of these instruments. Unrealized gains for these instruments are not recognized unless the valuation model incorporates significant observable market inputs.

Merrill Lynch holds investments that may have quoted market prices but that are subject to restrictions (e.g., consent of other investors to sell) that may limit Merrill Lynch's ability to realize the quoted market price. Accordingly, Merrill Lynch estimates the fair value of these securities based on management's best estimate which incorporates pricing models based on projected cash flows, earnings multiples, comparisons based on similar market transactions and/or review of underlying financial conditions and other market factors.

Valuation adjustments are an integral component of the mark-to-market process and are taken for individual positions where either the sheer size of the trade or other specific features of the trade or particular market (such as counterparty credit quality, concentration or market liquidity) requires more than the simple application of the pricing models.

Assets recorded on the balance sheet can therefore be broadly categorized as follows:

1. highly liquid cash and derivative instruments for which quoted market prices are readily available (for example, exchange-traded equity securities and derivatives such as listed options)

2. liquid instruments, including
    a) cash instruments for which quoted prices are available but which may trade less frequently such that there is not complete pricing transparency for these instruments across all market cycles (for example, corporate and municipal bonds);
    b) derivative instruments that are valued using a model, where inputs to the model are directly observable in the market (for example, U.S. dollar interest rate swaps);
    c) instruments that are priced with reference to comparable financial instruments whose parameters can be directly observed; and
    d) all consumer and small and middle-market business loans as well as performing commercial loans held for investment purposes (which are carried at their principal amount outstanding)

3. less liquid instruments that are valued using management's best estimate of fair value, and instruments which are valued using a model, where either the inputs to the model and/or the models themselves require significant judgement by management (for example, private equity investments, long dated or complex derivatives such as certain foreign exchange options and credit default swaps, distressed debt, aged inventory positions, including aged commercial loans held for sale (which are reported at the lower of cost or estimated fair value) and non-performing commercial loans held for investment purposes).

Merrill Lynch continually refines the process used to determine the appropriate categorization of its assets and liabilities. At June 27, 2003, assets and liabilities on the Condensed Consolidated Balance Sheets can be categorized as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Category 1	Category 2	Category 3	Total
<S>	<C>	<C>	<C>	<C>
Assets				
Trading assets, excluding				

contractual agreements	$41,579	$45,140	$1,309	$88,028
Contractual agreements	2,377	34,561	3,663	40,601
Loans, notes, and mortgages (net)	-	37,185	1,300	38,485
Investment securities	7,686	65,077	4,361	77,124
Liabilities				
Trading liabilities, excluding contractual agreements	$36,202	$11,524	$1,042	$48,768
Contractual agreements	3,880	36,952	3,761	44,593

</TABLE>

In addition, other trading-related assets recorded in the Condensed Consolidated Balance Sheet at June 27, 2003 include $126.4 billion of securities financing transactions (receivables under resale agreements and receivables under securities borrowed transactions) which are recorded at their contractual amounts plus accrued interest and for which little or no estimation is required by management.

During the second quarter of 2003, Merrill Lynch changed its estimated valuation for a Category 3 privately held equity investment held by a Merrill Lynch broker-dealer by using a discounted cash flow method. The carrying value of this investment increased $60 million in the second quarter of 2003. This investment is carried on the Condensed Consolidated Balance Sheet at estimated fair market value, with changes in valuation being recorded in principal transactions revenues.

NEW ACCOUNTING PRONOUNCEMENTS

On July 7, 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP provides guidance on accounting and reporting by insurance companies for certain nontraditional long-duration contracts and for separate accounts. The SOP is effective for financial statements for Merrill Lynch beginning in 2004. The SOP requires the establishment of a liability for contracts that contain death or other insurance benefits using a specified reserve methodology that is different from the methodology that Merrill Lynch currently employs. Depending on market conditions at the time of adoption, the impact of implementing this reserve methodology may have a material impact on the Condensed Consolidated Statement of Earnings.

On May 15, 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 changes the accounting for certain financial instruments, including mandatorily redeemable preferred stock and certain freestanding equity derivatives, which under previous guidance were accounted for as equity. SFAS No. 150 requires that mandatorily redeemable preferred shares, written put options and physically settled forward purchase contracts on an issuer's shares, and certain financial instruments that must be settled by issuing a variable number of an issuer's shares, be classified as liabilities in the Condensed Consolidated Balance Sheets.

SFAS No. 150 must be applied immediately to instruments entered into or modified after May 31, 2003 and to all other instruments that exist beginning in the third quarter of this year. Application to pre-existing contracts is recognized as a cumulative effect of a change in accounting principle. Merrill Lynch does not expect the adoption of SFAS No. 150 to have a material impact on the Condensed Consolidated Financial Statements.

On April 30, 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. The new guidance amends SFAS No. 133 for decisions made as part of the Derivatives Implementation Group ("DIG") process that effectively required amendments to SFAS No. 133, and decisions made in connection with other FASB projects dealing with financial instruments and in connection with implementation issues raised in relation to the application of the definition of a derivative and characteristics of a derivative that contains financing components. In addition, it clarifies when a derivative contains a financing component that warrants special reporting in the statement of cash flows. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. Merrill Lynch is currently assessing the impact of SFAS No. 149 on the Condensed Consolidated Financial Statements.

On January 17, 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), which clarifies when an entity should consolidate another entity known as a Variable Interest Entity ("VIE"), more commonly referred to as an SPE. A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties, and may include many types of SPEs. FIN 46 requires that an entity consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. FIN 46 does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. FIN 46 is effective for VIEs created on or after February 1, 2003 and for existing VIEs as of the third quarter of 2003. See Note 8 to the Consolidated Financial Statements in the 2002 Annual Report for disclosures regarding the expected impact of adoption of FIN 46 on Merrill Lynch's Consolidated Balance Sheets. Also, see Note 5 to the Condensed Consolidated Financial Statements for additional FIN 46 disclosure.

On December 31, 2002 the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of FASB Statement No. 123, Accounting for Stock-Based Compensation. SFAS No. 148 permits three alternative methods for a voluntary transition to the fair value based method of accounting for employee stock-based compensation. SFAS No. 148 continues to permit prospective application for companies that adopt this standard prior to the beginning of fiscal year 2004. SFAS No. 148 also allows for a modified prospective application, which requires the fair value of all unvested awards to be amortized over the remaining service period, as well as restatement of prior years' expense. The transition guidance and disclosure provisions of SFAS No. 148 were effective for fiscal years ending after December 15, 2002. See Note 11 to the Condensed Consolidated Financial Statements for these disclosures.

On November 25, 2002, the FASB issued FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements Nos. 5, 57, and 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires guarantors to disclose their obligations under certain guarantees. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosures were effective for financial statements of interim or annual periods ending after December 15, 2002. See Note 10 to the Condensed Consolidated Financial Statements for these disclosures.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 replaces the guidance provided by EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). Merrill Lynch adopted SFAS No. 146 as of January 1, 2003, which had no material impact on the Condensed Consolidated Financial Statements.

<TABLE>
<CAPTION>

STATISTICAL DATA

CLIENT ASSETS (DOLLARS IN BILLIONS)	2nd Qtr. 2002	3rd Qtr. 2002	4th Qtr. 2002	1st Qtr. 2003	2nd Qtr. 2003
<S>	<C>	<C>	<C>	<C>	<C>
GPC:					
U.S.	$ 1,076	$ 997	$ 1,021	$ 1,009	$ 1,076
Non-U.S.	94	87	89	86	92
Total GPC Assets	1,170	1,084	1,110	1,095	1,168
MLIM direct sales	233	205	201	193	205
Total Client Assets	$ 1,403	$ 1,289	$ 1,311	$ 1,288	

					$ 1,373
ASSETS IN ASSET-PRICED ACCOUNTS	$ 192	$ 177	$ 182	$ 181	$ 200
ASSETS UNDER MANAGEMENT:					
Retail	$ 203	$ 182	$ 189	$ 187	$ 195
Institutional	257	234	235	220	239
Private Investors(1)	39	36	38	35	37
U.S.	319	305	313	303	320
Non-U.S.	180	147	149	139	151
Equity	234	190	191	183	209
Fixed-income	121	119	122	108	108
Money market	144	143	149	151	154
UNDERWRITING (DOLLARS IN BILLIONS):					
Global Equity and Equity-Linked:					
Volume	$ 10	$ 3	$ 6	$ 4	$ 8
Market share	9.4 %	5.9 %	10.5 %	8.0 %	7.8%
Global debt:					
Volume	$ 86	$ 65	$ 59	$ 95	$ 84
Market share	8.3 %	7.7 %	6.5 %	7.1 %	6.6%
FULL-TIME EMPLOYEES:					
U.S.	42,400	41,800	40,000	39,200	38,200
Non-U.S.	12,000	11,400	10,900	10,400	10,100
Total	54,400	53,200	50,900	49,600	48,300
PRIVATE CLIENT FINANCIAL ADVISORS	15,100	14,600	14,000	13,600	13,300
BALANCE SHEET (dollars in millions, except per share amounts)					
Total assets	$453,834	$452,140	$447,928	$455,587	$481,075
Total stockholders' equity	$ 21,592	$ 22,299	$ 22,875	$ 23,639	$ 24,781
Book value per common share	$ 24.46	$ 25.17	$ 25.69	$ 24.97	$ 26.04
SHARE INFORMATION (in thousands)					
Weighted-average shares outstanding:					
Basic	861,742	864,629	868,160	887,553	897,202
Diluted	942,560	934,477	942,893	939,220	965,288
Common shares outstanding	865,398	869,019	873,780	929,768	935,152

(1) Represents segregated portfolios for individuals, small corporations and institutions.

</TABLE>

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information under the caption Item 2. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Risk Management" above in this Report is incorporated herein by reference.

Item 4. CONTROLS AND PROCEDURES

In 2002, ML & Co. formed a Disclosure Committee to assist with the monitoring and evaluation of our disclosure controls and procedures. ML & Co.'s Chief Executive Officer, Chief Financial Officer and Disclosure Committee have evaluated the effectiveness of ML & Co.'s disclosure controls and procedures as of the end of the period covered by this Form 10-Q. Based on this evaluation, ML & Co.'s Chief Executive Officer and Chief Financial Officer have concluded that ML & Co.'s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective. There have been no significant changes in ML & Co.'s internal control over financial reporting that occurred during the period covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, ML & Co.'s internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

The following supplements the discussion in ML & Co.'s Annual Report on Form 10-K for the fiscal year ended December 27, 2002 and Current Reports on Form 8-K dated March 17, 2003 and April 28, 2003:

Research-Related Class Actions.

On June 30, 2003, and July 2, 2003, the United States District Court for the Southern District of New York granted Merrill Lynch's motions to dismiss three class actions challenging the independence and objectivity of Merrill Lynch's research recommendations and related disclosures. These decisions involved research recommendations related to 24/7 Real Media, Inc. and Interliant, Inc., as well as claims involving Merrill Lynch Global Technology Fund, Inc. Although the outcome cannot be predicted with certainty, Merrill Lynch's present intention is to move to dismiss the remaining class actions in stages based largely on the reasoning of the courts' June 30 and July 2 decisions. Plaintiffs have moved for reconsideration of the court's decisions and, in addition, have the right to appeal the decisions dismissing their claims to the United States Court of Appeals for the Second Circuit.

Enron-Related Litigation

On or about May 28, 2003, United States District Court Judge Melinda Harmon and U.S. Bankruptcy Judge Arthur Gonzales ordered the investment bank defendants in certain of the Enron-related matters, including Merrill Lynch, to participate in non-binding mediation. The outcome of the mediation cannot be predicted.

IPO Allocation Class Actions

On or about June 25, 2003, plaintiffs announced that they had entered into a Memorandum of Understanding with the issuer defendants and the issuers' present and former officers and directors. Under the terms of the Memorandum of Understanding, the insurers of the issuers would guarantee recovery of at least $1 billion by the class members. To the extent that plaintiffs recover from the underwriter defendants, this amount would be reduced. Over 50 underwriters, including Merrill Lynch, remain as defendants in the actions.

IPO Underwriting Spread Litigation

On or about June 27, 2003, the United States District Court for the Southern District of New York denied defendants' motion to dismiss based on implied immunity. Defendants' motion to dismiss on other grounds is pending.

Boston Chicken Litigation

Merrill Lynch is one of the defendants in Gerald K. Smith as Trustee for and on behalf of the Estates of Boston Chicken, Inc. v Arthur Andersen LLP, et al., an action pending in the United States District Court for the District of Arizona. In that action, the Plan Reorganization Trustee has claimed, among other things, that the defendants (including Merrill Lynch) damaged Boston Chicken by allegedly contributing to Boston Chicken's decisions to incur more than a

billion dollars in obligations over a five-year period (1993-1998), during which the Trustee claims Boston Chicken was insolvent. No trial date has been set. Merrill Lynch is vigorously defending the action and anticipates filing a motion for summary judgment in January 2004.

Shareholder Derivative Action

In the following shareholder derivative action ML & Co. is named as a nominal defendant because the action purports to be brought on behalf of ML & Co. and any recovery obtained by plaintiffs would be for the benefit of ML & Co.:

Mullin v. Komansky, et al., a derivative action instituted on or about June 19, 2003, in the Supreme Court of the State of New York, County of New York, alleges breach of fiduciary duty by ML & Co. directors in connection with, among other things, allegedly failing to establish internal controls sufficient to ensure that the company's research activities were carried out in a lawful manner. The case is similar to Spear v. Conway, et al., previously disclosed in ML & Co.'s Form 10-K for the year ended December 27, 2002, in which Merrill Lynch has filed a motion to dismiss. Merrill Lynch intends to move to dismiss this action as well.

Other

Merrill Lynch has been named as a defendant in various other legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities as a global diversified financial services institution. The general decline of equity securities prices that began in 2000 has resulted in increased legal actions against many firms, including Merrill Lynch, and will likely result in higher professional fees and litigation expenses than those incurred in the past.

Some of the legal actions include claims for substantial compensatory and/or punitive damages or claims for indeterminate amounts of damages. In some cases, the issuers who would otherwise be the primary defendants in such cases are bankrupt or otherwise in financial distress. Merrill Lynch is also involved in investigations and/or proceedings by governmental and self-regulatory agencies. The number of these investigations has also increased in recent years with regard to many firms, including Merrill Lynch.

Given the number of these legal actions, investigations and proceedings, some are likely to result in adverse judgments, settlements, penalties, injunctions, fines, or other relief. Merrill Lynch believes it has strong defenses to, and where appropriate, will vigorously contest these actions. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, Merrill Lynch often cannot predict what the eventual loss or range of loss related to such matters will be. Merrill Lynch believes, based on information available to it, that the resolution of these actions will not have a material adverse effect on the financial condition of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results or cash flows for any particular period and may impact ML & Co.'s credit ratings.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On April 28, 2003, ML & Co. held its Annual Meeting of Stockholders. Further details concerning matters submitted for stockholder vote can be found in ML & Co.'s Quarterly Report on Form 10-Q for the quarterly period ended March 28, 2003.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

4 Instruments defining the rights of security holders, including indentures:

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, ML & Co. hereby undertakes to furnish to the Securities and Exchange Commission, upon request, copies of the instruments defining the rights of holders of long-term debt securities of ML & Co. that authorize an amount of securities constituting 10% or less of the total assets of ML & Co. and its subsidiaries on a consolidated basis.

10	Written description of ML & Co.'s compensation policy for directors effective May 1, 2003.
12	Statement re: computation of ratios.
15	Letter re: unaudited interim financial information.
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
99.1	Charter of the Public Policy and Responsibility Committee of the ML & Co. Board of Directors.

(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed with or furnished to the Securities and Exchange Commission during the quarterly period covered by this report:

(i) Current Report dated April 3, 2003 for the purpose of filing the form of ML & Co.'s 8% Callable STock Return Income DEbt Securities SM due April 5, 2005, payable at maturity with Comcast Corporation Class A common stock.

(ii) Current Report dated April 9, 2003 for the purpose of furnishing notice of a webcast of a conference call scheduled for April 16, 2003 to review ML & Co.'s operating results.

(iii) Current Report dated April 16, 2003 for the purpose of filing ML & Co.'s Preliminary Unaudited Earnings Summaries for the three months ended March 28, 2003.

(iv) Current Report dated April 28, 2003 for the purpose of reporting the announcement by the Securities and Exchange Commission, New York Stock Exchange, National Association of Securities Dealers, and state securities regulators that the settlements-in-principle that the regulators had disclosed on December 20, 2002 related to alleged conflicts of interest affecting research analysts had been reduced to final settlements with regard to ten securities firms, including Merrill Lynch.

(v) Current Report dated April 29, 2003 for the purpose of filing the form of ML & Co.'s 9% Callable STock Return Income DEbt SecuritiesSM due April 29, 2005, payable at maturity with Best Buy Co., Inc. common stock.

(vi) Current Report dated May 2, 2003 for the purpose of filing the form of ML & Co.'s Global Currency Basket Notes due May 3, 2004.

(vii) Current Report dated May 2, 2003 for the purpose of filing the form of ML & Co.'s Market Recovery NotesSM Linked to the Nasdaq-100 Index(R) due July 22, 2004.

(viii) Current Report dated May 2, 2003 for the purpose of filing the form of ML & Co.'s 9% Callable STock Return Income DEbt SecuritiesSM due May 9, 2005, payable at maturity with Nextel Communications, Inc. Class A common stock.

(ix) Current Report dated May 6, 2003 for the purpose of furnishing notice of a webcast of a presentation by the president of ML & Co.'s Global Private Client Group scheduled for May 13, 2003.

(x) Current Report dated May 30, 2003 for the purpose of filing the form of ML & Co.'s Multi-Currency Notes due May 31, 2005.

(xi) Current Report dated June 3, 2003 for the purpose of filing the form of ML & Co.'s S&P 500(R) Market Index Target-Term Securities(R) due June 3, 2010.

(xii) Current Report dated June 3, 2003 for the purpose of filing

the form of ML & Co.'s SUMmation SecuritiesSM Linked to the Performance of the S&P 500(R) Index due September 3, 2008.

(xiii) Current Report dated June 10, 2003 for the purpose of filing the form of ML & Co.'s Warrant Agreement dated as of June 10, 2003 between ML & Co. and JPMorgan Chase Bank.

(xiv) Current Report dated June 27, 2003 for the purpose of filing the form of ML & Co.'s Strategic Return Notes(R) Linked to the Select Ten Index due June 27, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MERRILL LYNCH & CO., INC.
(Registrant)

By: /s/ Ahmass L. Fakahany
Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

By: /s/ John J. Fosina
John J. Fosina
Controller
Principal Accounting Officer

Date: August 7, 2003

INDEX TO EXHIBITS

Exhibits

10 Written description of ML & Co.'s compensation policy for directors effective May 1, 2003.

12 Statement re: computation of ratios.

15 Letter re: unaudited interim financial information.

31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.1 Charter of the Public Policy and Responsibility Committee of the ML & Co. Board of Directors.

Written description of ML & Co.'s compensation policy for directors effective May 1, 2003.

COMPENSATION OF DIRECTORS

FEES AND EXPENSES

The independent non-employee directors are paid the following compensation for service as members of the Board of Directors and as members of our standing Board Committees. The directors are also reimbursed for out-of-pocket expenses incurred in attending Board and Board Committee meetings and if fulfilling their duties as directors.

- $75,000 annually in base compensation to each non-employee director

- $25,000 annually to the Chairman of the Management Development and Compensation Committee and the Chairman of the Audit Committee

- $15,000 to the Chairman of the Public Policy and Responsibility Committee, the Chairman of the Finance Committee and the Chair of the Nominating and Corporate Governance Committee.

- In the event that a Board member serves as the chairman of two Board Committees, he or she shall receive an annual payment equal to 100% of the amount payable for serving as chairman of the committee with the higher annual fee and 50% of the amount payable for serving as chairman of the committee with the smaller annual fee.

Non-employee directors are entitled to defer all or a portion of their cash compensation. Deferred payments are held in accounts with values indexed either to the performance of selected mutual funds and certain sponsored employee partnerships, or to the performance of our common stock, including reinvested dividends.

Non-employee directors also receive an annual grant of deferred stock units valued at $72,500 and annual grants of stock options also valued at $72,500 under the Non-Employee Director's Plan. Deferred stock units represent the Company's obligation to deliver one share of our common stock for each unit. The grants are made following the Annual Meeting. If a director joins the Board in mid-year, he or she would receive a pro-rated grant.

Deferred stock units are payable at the end of a five-year deferral period, or earlier if the non-employee director's service on the Board ends. These units receive dividend equivalents but may not vote. Payment of the deferred stock units may be further deferred prior to payment. The stock options granted to non-employee directors entitle the holder to receive one share of our common stock upon payment of the exercise price, which is the average of the high and low prices of our common stock on the grant date. These stock options become exercisable six months following the date of grant.

RETIREMENT

Directors who joined the Board of Directors after February 2001 are not eligible for pension benefits. Non-employee directors who served prior to that date are entitled to receive, at their election, either lifetime annual retirement payments, a lump-sum payment, or a death benefit when they end their service for any reason (other than cause), in each case in the amount to be paid in respect of their retirement benefit is limited by the directors' 2001 annual base compensation of $55,000 annually.

BENEFITS

Non-employee directors who joined the Board after February 2001 are not eligible for medical insurance benefits. These benefits are offered to non-employee directors who joined the Board prior to that date and to their eligible family members. These benefits are generally comparable to those offered to our employees, except that we provide these benefits on a non-contributory basis and with differences in deductible, coinsurance and lifetime benefits.

<TABLE>
<CAPTION>

EXHIBIT 12

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES AND
COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS
(dollars in millions)

	For the Three Months Ended		For the Six Months Ended	
	June 27, 2003	June 28, 2002	June 27, 2003	June 28, 2002
<S>	<C>	<C>	<C>	<C>
Pre-tax earnings	$1,466	$ 948	$2,488	$1,960
Add: Fixed charges (excluding capitalized interest and preferred security dividend requirements of subsidiaries)	2,021	2,441	4,132	4,965
Pre-tax earnings before fixed charges	3,487	3,389	6,620	6,925
Fixed charges:				
Interest	1,973	2,389	4,035	4,858
Other (a)	96	100	193	204
Total fixed charges	2,069	2,489	4,228	5,062
Preferred stock dividend requirements	13	13	26	27
Total combined fixed charges and preferred stock dividends	$2,082	$2,502	$4,254	$5,089
Ratio of earnings to fixed charges	1.69	1.36	1.57	1.37
Ratio of earnings to combined fixed charges and preferred stock dividends	1.67	1.35	1.56	1.36

(a) Other fixed charges consist of the interest factor in rentals, amortization of debt issuance costs, preferred security dividend requirements of subsidiaries, and capitalized interest.
</TABLE>

August 7, 2003

Merrill Lynch & Co., Inc.
4 World Financial Center
New York, NY 10080

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim condensed consolidated financial information of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of June 27, 2003 and for the three-month and six-month periods ended June 27, 2003 and June 28, 2002, as indicated in our report dated August 7, 2003; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended June 27, 2003, is incorporated by reference in the following Registration Statements, as amended:

Filed on Form S-8:

Registration Statement No. 33-41942 (1986 Employee Stock Purchase Plan)

Registration Statement No. 33-17908 (Incentive Equity Purchase Plan)

Registration Statement No. 33-33336 (Long-Term Incentive Compensation Plan)

Registration Statement No. 33-51831 (Long-Term Incentive Compensation Plan)

Registration Statement No. 33-51829 (401(k) Savings and Investment Plan)

Registration Statement No. 33-54154 (Non-Employee Directors' Equity Plan)

Registration Statement No. 33-54572 (401(k) Savings and Investment Plan (Puerto Rico))

Registration Statement No. 33-56427 (Amended and Restated 1994 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 33-55155 (1995 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 33-60989 (1996 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-00863 (401(k) Savings & Investment Plan)

Registration Statement No. 333-09779 (1997 Deferred Compensation Plan For a Select Group of Eligible Employees)

Registration Statement No. 333-13367 (Restricted Stock Plan for Former Employees of Hotchkis and Wiley)

Registration Statement No. 333-15009 (1997 KECALP Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-17099 (Deferred Unit and Stock Unit Plan for Non-Employee Directors)

Registration Statement No. 333-18915 (Long-Term Incentive Compensation Plan for Managers and Producers)

Registration Statement No. 333-32209 (1998 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-33125 (Employee Stock Purchase Plan for Employees Of Merrill Lynch Partnerships)

Registration Statement No. 333-41425 (401(k) Savings & Investment Plan)

Registration Statement No. 333-56291 (Long-Term Incentive Compensation Plan for Managers and Producers)

Registration Statement No. 333-60211 (1999 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-62311 (Replacement Options; Midland Walwyn Inc.)

Registration Statement No. 333-85421 (401(k) Savings and Investment Plan)

Registration Statement No. 333-85423 (2000 Deferred Compensation Plan For a Select Group of Eligible Employees)

Registration Statement No. 333-92663 (Long-Term Incentive Compensation Plan for Managers and Producers)

Registration Statement No. 333-44912 (2001 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-64676 (1986 Employee Stock Purchase Plan)

Registration Statement No. 333-64674 (Long-Term Incentive Compensation Plan for Managers and Producers)

Registration Statement No. 333-68330 (2002 Deferred Compensation Plan for a Select Group of Eligible Employees)

Filed on Form S-3:

Debt Securities, Warrants, Common Stock, Preferred Securities, and/or Depository Shares:

Registration Statement No. 33-54218

Registration Statement No. 2-78338

Registration Statement No. 2-89519

Registration Statement No. 2-83477

Registration Statement No. 33-03602

Registration Statement No. 33-17965

Registration Statement No. 33-27512

Registration Statement No. 33-33335

Registration Statement No. 33-35456

Registration Statement No. 33-42041

Registration Statement No. 33-45327

Registration Statement No. 33-45777

Registration Statement No. 33-49947

Registration Statement No. 33-51489

Registration Statement No. 33-52647

Registration Statement No. 33-55363

Registration Statement No. 33-60413

Registration Statement No. 33-61559

Registration Statement No. 33-65135

Registration Statement No. 333-13649

Registration Statement No. 333-16603

Registration Statement No. 333-20137

Registration Statement No. 333-25255

Registration Statement No. 333-28537

Registration Statement No. 333-42859

Registration Statement No. 333-44173

Registration Statement No. 333-59997

Registration Statement No. 333-68747

Registration Statement No. 333-38792

Registration Statement No. 333-52822

Registration Statement No. 333-83374

Registration Statement No. 333-105098

Medium Term Notes:

Registration Statement No. 2-96315

Registration Statement No. 33-03079

Registration Statement No. 33-05125

Registration Statement No. 33-09910

Registration Statement No. 33-16165

Registration Statement No. 33-19820

Registration Statement No. 33-23605

Registration Statement No. 33-27549

Registration Statement No. 33-38879

Other Securities:

Registration Statement No. 333-02275 (Long-Term Incentive Compensation Plan)

Registration Statement No. 333-24889 (Long-Term Incentive Compensation Plan, and Long-Term Incentive Compensation Plan for Managers and Producers)

Registration Statement No. 333-36651 (Hotchkis and Wiley Resale)

Registration Statement No. 333-59263 (Exchangeable Shares of Merrill Lynch & Co., Canada Ltd. re: Midland Walwyn Inc.)

Registration Statement No. 333-67903 (Howard Johnson & Company Resale)

Registration Statement No. 333-45880 (Herzog, Heine, Geduld, Inc. Resale)

We are also aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of a Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP
New York, New York

EXHIBIT 31.1

Certification of Chief Executive Officer

I, E. Stanley O'Neal, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Merrill Lynch & Co., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ E. Stanley O'Neal

E. Stanley O'Neal
Chairman of the Board and
Chief Executive Officer

Dated: August 7, 2003

EXHIBIT 31.2

Certification of Chief Financial Officer

I, Ahmass L. Fakahany, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Merrill Lynch & Co., Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Ahmass L. Fakahany

Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

Dated: August 7, 2003

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Merrill Lynch & Co., Inc. (the "Company") on Form 10-Q for the period ended June 27, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E. Stanley O'Neal, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ E. Stanley O'Neal

E. Stanley O'Neal
Chairman of the Board and
Chief Executive Officer

Dated: August 7, 2003

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Merrill Lynch & Co., Inc. (the "Company") on Form 10-Q for the period ended June 27, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ahmass L. Fakahany, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Ahmass L. Fakahany

Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

Dated: August 7, 2003

EXHIBIT 99.1

Effective July 28, 2003

MERRILL LYNCH & CO., INC.
PUBLIC POLICY AND RESPONSIBILITY COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE

To assist the Board of Directors and Senior Management in overseeing the Corporation's fulfillment of its Principles of Respect for the Individual, Teamwork, Responsible Citizenship and Integrity by reviewing and, where appropriate, making recommendations about:

- The Corporation's policies and actions as they relate to the above Principles
- The Corporation's political and charitable contributions policies and practices
- The Corporation's policies and actions as they relate to social and public policy issues that affect the Corporation's business

throughout the world.

MEMBERSHIP

The Committee shall be composed of not fewer than three directors, none of whom shall be, or within one year of appointment, shall have been, employees of the Corporation. However, if a vacancy occurs, the Committee is authorized to continue to exercise its authority with fewer than three directors, but not less than two, until such time as the Board of Directors fills such vacancy. The Board of Directors may designate alternate members of the Committee. The Chair of the Committee shall be appointed by the Board of Directors.

AUTHORITY STATEMENT

To review and make recommendations concerning:

- The Corporation's policies and business activities in light of the Corporation's Principles of Respect for the Individual, Teamwork, Responsible Citizenship and Integrity.

- The Corporation's policies and actions as they relate to social and public policy issues.

- The Corporation's business policies and practices relative to the Foreign Corrupt Practices Act and similar laws worldwide.

To review and oversee:

- The Corporation's charitable contribution policies and practices in all areas.
- The Corporation's political contribution policies and practices worldwide, including direct contributions by the Corporation and its subsidiaries, contributions by the Corporation's political action committee and, where regulatory considerations apply, direct employee contributions.

Any matter relating to the foregoing which is referred to the Committee by the Board of Directors or any other committee thereof.