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 September 27, 2002

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

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.

864,450,601 shares of Common Stock and 4,160,191 Exchangeable Shares as of the close of business on November 1, 2002. 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.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

	For the Three Months Ended		
(in millions, except per share amounts)	Sept. 27, 2002	Sept. 28, 2001	Percent Inc. (Dec.)
<S>	<C>	<C>	<C>
NET REVENUES			
Commissions	$ 1,122	$ 1,204	(6.8)%
Principal transactions	377	739	(49.0)
Investment banking			
Underwriting	332	563	(41.0)
Strategic advisory	163	294	(44.6)
Asset management and portfolio service fees	1,217	1,337	(9.0)

Other	165	129	27.9
Subtotal	3,376	4,266	(20.9)
Interest and dividend revenues	3,484	4,663	(25.3)
Less interest expense	2,498	3,784	(34.0)
Net interest profit	986	879	12.2
TOTAL NET REVENUES	4,362	5,145	(15.2)
NON-INTEREST EXPENSES			
Compensation and benefits	2,228	2,757	(19.2)
Communications and technology	421	529	(20.4)
Occupancy and related depreciation	218	280	(22.1)
Brokerage, clearing, and exchange fees	182	219	(16.9)
Advertising and market development	125	165	(24.2)
Professional fees	135	115	17.4
Office supplies and postage	62	78	(20.5)
Goodwill amortization	-	53	(100.0)
Other	128	175	(26.9)
Recoveries/expenses related to September 11	(191)	88	N/M
TOTAL NON-INTEREST EXPENSES	3,308	4,459	(25.8)
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	1,054	686	53.6
Income tax expense	313	216	44.9
Dividends on preferred securities issued by subsidiaries	48	48	-
NET EARNINGS	$ 693	$ 422	64.2
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	$ 683	$ 412	65.8
EARNINGS PER COMMON SHARE			
Basic	$ 0.79	$ 0.49	
Diluted	$ 0.73	$ 0.44	
DIVIDEND PAID PER COMMON SHARE	$ 0.16	$ 0.16	
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE			
Basic	864.6	845.8	
Diluted	934.5	934.5	

See Notes to Condensed Consolidated Financial Statements
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(in millions, except per share amounts)	For the Nine Months Ended Sept. 27, 2002	For the Nine Months Ended Sept. 28, 2001	Percent Inc. (Dec.)
<S>	<C>	<C>	<C>
NET REVENUES			
Commissions	$ 3,555	$ 4,071	(12.7)%
Principal transactions	1,982	3,344	(40.7)
Investment banking			
Underwriting	1,321	1,900	(30.5)
Strategic advisory	540	891	(39.4)
Asset management and portfolio service fees	3,808	4,072	(6.5)
Other	603	446	35.2
Subtotal	11,809	14,724	(19.8)
Interest and dividend revenues	9,966	16,459	(39.4)
Less interest expense	7,372	14,055	(47.5)
Net interest profit	2,594	2,404	7.9
TOTAL NET REVENUES	14,403	17,128	(15.9)
NON-INTEREST EXPENSES			
Compensation and benefits	7,443	8,978	(17.1)
Communications and technology	1,307	1,695	(22.9)
Occupancy and related depreciation	684	820	(16.6)
Brokerage, clearing, and exchange fees	552	697	(20.8)
Advertising and market development	426	575	(25.9)
Professional fees	397	408	(2.7)
Office supplies and postage	196	266	(26.3)
Goodwill amortization	-	156	(100.0)
Other	575	556	3.4
Recoveries/expenses related to September 11	(191)	88	N/M
TOTAL NON-INTEREST EXPENSES	11,389	14,239	(20.0)
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	3,014	2,889	4.3
Income tax expense	896	906	(1.1)
Dividends on preferred securities issued by subsidiaries	144	146	(1.4)

NET EARNINGS 7.5	$ 1,974	$ 1,837
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS 7.6	$ 1,945	$ 1,808
EARNINGS PER COMMON SHARE		
Basic	$ 2.26	$ 2.15
Diluted	$ 2.07	$ 1.93
DIVIDEND PAID PER COMMON SHARE	$ 0.48	$ 0.48
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE		
Basic	860.4	839.8
Diluted	942.0	938.8

See Notes to Condensed Consolidated Financial Statements
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in millions)	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>
ASSETS		
CASH AND CASH EQUIVALENTS	$ 12,593	$ 11,070
CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES OR DEPOSITED WITH CLEARING ORGANIZATIONS	7,973	4,467
SECURITIES FINANCING TRANSACTIONS		
Receivables under resale agreements	75,327	69,707
Receivables under securities borrowed transactions	52,262	54,930
	127,589	124,637
INVESTMENT SECURITIES	80,158	87,672
TRADING ASSETS, AT FAIR VALUE (includes securities pledged as collateral of $12,083 in 2002 and $12,084 in 2001)		
Contractual agreements	40,558	31,040
Corporate debt and preferred stock	18,497	19,147
Mortgages, mortgage-backed, and asset-backed	13,827	11,526
U.S. Government and agencies	12,080	12,999
Equities and convertible debentures	11,415	18,487
Non-U.S. governments and agencies	10,864	6,207

Municipals and money markets	4,149	5,561
	--------	--------
	111,390	104,967
SECURITIES RECEIVED AS COLLATERAL	2,430	3,234
	--------	--------
OTHER RECEIVABLES		
Customers (net of allowance for doubtful accounts of $62 in 2002 and $81 in 2001)	36,694	39,856
Brokers and dealers	8,782	6,868
Interest and other	8,791	8,221
	--------	--------
	54,267	54,945
	--------	--------
LOANS, NOTES, AND MORTGAGES (net of allowances of $231 in 2002 and $201 in 2001)	32,387	19,005
EQUIPMENT AND FACILITIES (net of accumulated depreciation and amortization of $4,624 in 2002 and $4,910 in 2001)	3,040	2,873
GOODWILL (net of accumulated amortization of $964 in 2002 and $924 in 2001)	4,321	4,071
OTHER ASSETS	3,616	2,478
	--------	--------
TOTAL ASSETS	$439,764	$419,419
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(dollars in millions, except per share amount)	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>
LIABILITIES		
SECURITIES FINANCING TRANSACTIONS		
Payables under repurchase agreements	$ 87,801	$74,903
Payables under securities loaned transactions	9,648	12,291
	--------	--------
	97,449	87,194
	--------	--------
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS	6,619	5,141
DEPOSITS	80,825	85,819

TRADING LIABILITES, AT FAIR VALUE		
Contractual agreements	45,128	36,679
U.S. Government and agencies	19,137	18,674
Non-U.S. governments and agencies	9,307	5,857
Equities and convertible debentures	7,141	9,911
Corporate debt, municipals and preferred stock	7,584	4,796
	--------	--------
	88,297	75,917
	--------	--------
OBLIGATION TO RETURN SECURITIES RECEIVED AS COLLATERAL	2,430	3,234
	--------	--------
OTHER PAYABLES		
Customers	29,127	28,704
Brokers and dealers	12,245	11,932
Interest and other	20,237	18,466
	--------	--------
	61,609	59,102
	--------	--------
LIABILITIES OF INSURANCE SUBSIDIARIES	3,633	3,737
LONG-TERM BORROWINGS	73,947	76,572
	--------	--------
TOTAL LIABILITES	414,809	396,716
	--------	--------
PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,656	2,695
	--------	--------
STOCKHOLDERS' EQUITY		
PREFERRED STOCKHOLDERS' EQUITY (42,500 shares issued, liquidation preference $10,000 per share)	425	425
	--------	--------
COMMON STOCKHOLDERS' EQUITY		
Shares exchangeable into common stock	61	62
Common stock (par value $1.33 1/3 per share; authorized: 3,000,000,000 shares; issued: 2002 - 978,667,234 shares; 2001 - 962,533,498 shares)	1,305	1,283
Paid-in capital	5,215	4,209
Accumulated other comprehensive loss (net of tax)	(431)	(368)
Retained earnings	17,681	16,150
	--------	--------
	23,831	21,336
Less: Treasury stock, at cost: 2002 - 116,395,070 shares; 2001 - 119,059,651 shares	994	977
Unamortized employee stock grants	963	776

TOTAL COMMON STOCKHOLDERS' EQUITY	21,874	19,583
TOTAL STOCKHOLDERS' EQUITY	22,299	20,008
TOTAL LIABILITIES, PREFERRED SECURITIES ISSUED BY SUBSIDIARIES, AND STOCKHOLDERS' EQUITY	$439,764	$419,419

See Notes to Condensed Consolidated Financial Statements
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Nine Months Ended	
(dollars in millions)	Sept. 27, 2002	Sept. 28, 2001
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 1,974	$ 1,837
Noncash items included in earnings:		
Depreciation and amortization	491	668
Policyholder reserves	127	139
Goodwill amortization	-	156
Amortization of stock-based compensation	493	544
Deferred taxes	29	(427)
Other	539	(151)
Changes in operating assets and liabilities:		
Trading assets	(8,400)	(7,599)
Cash and securities segregated for regulatory purposes or deposited with clearing organizations	(3,506)	1,710
Receivables under resale agreements	(5,608)	(13,768)
Receivables under securities borrowed transactions	2,668	(5,735)
Customer receivables	3,170	(5,022)
Brokers and dealers receivables	(1,914)	14,853
Trading liabilities	12,380	6,541
Payables under repurchase agreements	12,898	11,368
Payables under securities loaned transactions	(2,643)	(8,253)
Customer payables	423	10,566
Brokers and dealers payables	313	4,083
Other, net	6,446	(3,335)
Cash provided by operating activities	19,880	8,175
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments for):		
Maturities of available-for-sale securities	20,350	25,618
Sales of available-for-sale securities	36,646	10,214
Purchases of available-for-sale securities	(52,619)	(59,005)
Maturities of held-to-maturity securities	145	511
Purchases of held-to-maturity securities	(282)	(517)
Loans, notes, and mortgages	(11,770)	(1,021)
Other investments and other assets	(1,725)	(742)
Equipment and facilities	(658)	(696)
Cash used for investing activities	(9,913)	(25,638)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for):		
Commercial paper and other short-term borrowings	1,478	(10,087)
Deposits	(4,994)	16,019
Issuance and resale of long-term borrowings	18,313	28,359
Settlement and repurchases of long-term borrowings	(22,970)	(19,508)

Issuance of common stock	225	-
Issuance of treasury stock	5	463
Other common stock transactions	(58)	(354)
Dividends	(443)	(433)
Cash provided by (used for) financing activities	(8,444)	14,459
Increase/(decrease) in cash and cash equivalents	1,523	(3,004)
Cash and cash equivalents, beginning of year	11,070	23,205
Cash and cash equivalents, end of period	$ 12,593	$ 20,201
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Income taxes	$ 631	$ 545
Interest	7,535	14,671

See Notes to Condensed Consolidated Financial Statements
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 27, 2002

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a complete discussion of Merrill Lynch's accounting policies, refer to the Annual Report included as an exhibit to Form 10-K for the year ended December 28, 2001 ("2001 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") which are generally controlled through a majority voting interest but may be controlled by means of a significant minority ownership, by contract, lease or otherwise. Investments in entities in which Merrill Lynch does not have control, but has the ability to exercise significant influence (generally defined as 20%-50% of voting interest) are accounted for under the equity method. Investments in which Merrill Lynch has neither control nor significant influence are accounted for under the cost method, except investments held by a regulated broker-dealer which are carried at fair value. See Other Investments in the 2001 Annual Report for the accounting policy on these securities. All material intercompany balances have been eliminated. The December 28, 2001 unaudited Condensed Consolidated Balance Sheet was derived from the audited financial statements. The interim Condensed Consolidated Financial Statements for the three - and nine -month periods are unaudited; however, in the opinion of Merrill Lynch management, all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the Condensed Consolidated Financial Statements in accordance with generally accepted accounting principles have been included.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements included in the 2001 Annual Report. 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.

Consolidation and Transactions Involving SPEs

Merrill Lynch enters into a number of different types of derivative transactions with Special Purpose Entities ("SPEs"), principally to facilitate client transactions but also to hedge, manage, and finance proprietary positions and risk. The most common types of derivatives entered into with SPEs that are used to facilitate client transactions can be broadly categorized as follows:

o In a typical securitization, Merrill Lynch may convert the return on a pool of assets held by an SPE (e.g., a pool of mortgages) from a fixed interest rate to a floating interest rate by entering into an interest rate swap with the SPE.

- Merrill Lynch may enter into a derivative transaction with an SPE in order to "repackage" a specific security for an investor and modify some aspect of the security to meet a client's stated objectives. This may include changing risk components relating to foreign exchange attributes of a security, interest rates, credit risk, and/or tenor of the instrument; or, in the case of convertible bonds, separating the bond into its debt and equity components.

- Merrill Lynch also provides liquidity facilities to investors in securities issued by certain SPEs which hold pools of municipal securities. Disclosure of these liquidity facilities is contained in Note 12, Commitments and Contingencies - Lending and Guarantees, in the 2001 Annual Report.

New Accounting Pronouncements

Subsequent to September 27, 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No.147, "Acquisitions of Certain Financial Institutions - an Amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9." The Statement provides guidance on the accounting for the acquisition of a financial institution, which had previously been addressed in SFAS No. 72, "Accounting for Certain Acquisitions of Banking or Thrift Institutions," and requires that those transactions be accounted for in accordance with SFAS No. 141, "Business Combinations", and SFAS No. 142, " Goodwill and Other Intangible Assets." In addition, this Statement amends SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," to include long-term customer-relationship intangible assets such as depositor and credit cardholder intangible assets and would require these assets to be subject to an undiscounted cash flow recoverability impairment test that SFAS No. 144 requires for other long-lived assets that are held and used. The provisions of SFAS No. 147 are effective October 1, 2002. There was no impact to Merrill Lynch upon adoption of this Statement.

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 will replace the existing 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)." SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002.

In August 2001, the FASB released SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business as previously defined in that opinion. SFAS No. 144 provides guidance on the financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 also amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements" to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. Merrill Lynch adopted the provisions of SFAS No. 144 in the first quarter of 2002. The impact upon adoption was not material.

In July 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, intangible assets with indefinite lives and goodwill will no longer be amortized. Instead, these assets will be tested annually for impairment. Merrill Lynch adopted the provisions of SFAS No. 142 at the beginning of fiscal year 2002. Prior year pre-tax amortization expense related to goodwill totaled $53 million and $156 million for the three-month and nine-month periods ended September 28, 2001.

During the second quarter of 2002, Merrill Lynch completed its review of goodwill in accordance with SFAS No. 142 and determined that the fair value of the reporting units to which goodwill relates exceeds the carrying value of such reporting units. Accordingly, no goodwill impairment loss was recognized. The $3.9 billion of goodwill related to the 1997 purchase of the Mercury Asset Management Group was tested at the Merrill Lynch Investment Managers ("MLIM") segment level since this business has been fully integrated into MLIM.

The following table presents a reconciliation of reported net earnings and earnings per share to the amounts adjusted for the exclusion of goodwill amortization, net of related income tax effects.

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(dollars in millions, except per share amounts)

	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2002	Sept. 28, 2001	Sept. 27, 2002	Sept. 28, 2001
<S>	<C>	<C>	<C>	<C>
NET EARNINGS:				
Reported amount	$ 693	$ 422	$1,974	$1,837
Goodwill amortization, net of taxes	-	36	-	105
Adjusted	$ 693	$ 458	$1,974	$1,942
BASIC EARNINGS PER SHARE:				
Reported amount	$0.79	$0.49	$ 2.26	$ 2.15
Goodwill amortization	-	0.04	-	0.13
Adjusted	$0.79	$0.53	$ 2.26	$ 2.28
DILUTED EARNINGS PER SHARE:				
Reported amount	$0.73	$0.44	$ 2.07	$ 1.93
Goodwill amortization	-	0.04	-	0.11
Adjusted	$0.73	$0.48	$ 2.07	$ 2.04

</TABLE>

Net earnings and earnings per share, excluding the impact of goodwill amortization, for the three years ended December 28, 2001 are as follows:

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

	For the Twelve Months Ended		
	Dec. 28, 2001	Dec. 29, 2000	Dec. 31, 1999
<S>	<C>	<C>	<C>
NET EARNINGS:			
Reported amount	$ 573	$3,784	$2,693
Goodwill amortization, net of taxes	139	145	151
Adjusted	$ 712	$3,929	$2,844
BASIC EARNINGS PER SHARE:			
Reported amount	$0.64	$ 4.69	$ 3.52

Goodwill amortization	0.16	0.18	0.20
Adjusted	$0.80	$ 4.87	$ 3.72
DILUTED EARNINGS PER SHARE:			
Reported amount	$0.57	$ 4.11	$ 3.11
Goodwill amortization	0.15	0.16	0.18
Adjusted	$0.72	$ 4.27	$ 3.29

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Derivatives

Merrill Lynch's policies relating to derivatives are discussed fully in the 2001 Annual Report. For the three- and nine-month periods ended September 27, 2002, net gains of $39 million and net losses of $212 million, respectively, related to non-U.S. dollar hedges of investments in non-U.S. dollar subsidiaries were included in "Accumulated other comprehensive loss" on the Condensed Consolidated Balance Sheet. For the three- and nine- month periods ended September 28, 2001, net losses of $137 million and net gains of $173 million, respectively, were recorded for these same derivatives. These amounts were substantially offset by net gains and losses on the hedged investments.

NOTE 2. OTHER SIGNIFICANT EVENTS

September 11 - related Expenses

On September 11, 2001, terrorists attacked the World Trade Center complex, which subsequently collapsed and damaged surrounding buildings, some of which were occupied by Merrill Lynch. These events caused the temporary relocation of approximately 9,000 employees from Merrill Lynch's global headquarters in the North Tower of the World Financial Center, the South Tower of the World Financial Center and from offices at 222 Broadway to back-up facilities. Merrill Lynch maintains insurance for losses caused by physical damage to property. This coverage includes repair or replacement of property and lost profits due to business interruption, including costs related to lack of access to facilities. During the third quarter of 2001 Merrill Lynch recorded September 11-related pre-tax expenses of $88 million, which were net of an insurance receivable of $50 million. For the full year of 2001, Merrill Lynch recorded pre-tax expenses of $131 million, which were net of a $100 million insurance reimbursement, and a receivable of $115 million.

The first quarter of 2002 included $85 million of September 11- related expenses, which were fully offset by an insurance reimbursement of $200 million, the remainder of which was recognized as a receivable in 2001.

In the third quarter of 2002, Merrill Lynch recorded a September 11-related net insurance recovery representing a partial reimbursement of $200 million, offset by September 11-related expenses of $9 million. A total of $125 million of the reimbursement was replacement and recovery costs for items previously recognized as expenses, with $75 million representing a partial business interruption settlement for lost profits.

In aggregate, Merrill Lynch has recognized $440 million of September 11-related expenses and received reimbursement for $500 million, of which $425 million was for replacement and recovery costs and $75 million was for business interruption. These expenses include the write-offs of depreciated fixed assets whereas the reimbursement is for actual replacement costs. Therefore, it is expected that the insurance reimbursements for damaged fixed assets will exceed the corresponding expense recognition. Merrill Lynch continues to pursue reimbursements for replacement and recovery costs as well as for business interruption losses.

New York Attorney General Settlement

On May 21, 2002, Merrill Lynch executed an agreement with the New York Attorney

General ("NYAG") regarding alleged conflicts of interest between Merrill Lynch's Research and Investment Banking groups. As part of the agreement, the Attorney General terminated his investigation and Merrill Lynch agreed to implement changes to further insulate the Research Department from Investment Banking. In addition, in order to reach a resolution and settlement of the matter, Merrill Lynch has agreed to make a civil payment of $48 million to New York State and an additional $52 million to the other 49 states and to Puerto Rico and the District of Columbia. Both payments are contingent on acceptance of the agreement by the appropriate state agency in these states and in Puerto Rico and the District of Columbia. Merrill Lynch admitted to no wrongdoing or liability as part of this agreement.

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 pre-tax charge to earnings of $2.2 billion, which included restructuring costs of $1.8 billion and other charges of $396 million. These other charges primarily related to write-offs, which were recorded in 2001. In addition, a charge of approximately $135 million of deferred tax expense was recorded related to losses of the Private Client operations in Japan that are not expected to be utilized during the carryforward period.

Restructuring Charge

Restructuring charges related primarily to severance costs of $1.1 billion, facilities costs of $299 million, technology and fixed asset write-offs of $187 million and legal, technology and other costs of $178 million. Structural changes included workforce reductions of 6,205 through a combination of involuntary and voluntary separations across all business groups. At December 28, 2001, the majority of employee separations were completed or announced, and all had been identified. The $1.1 billion of severance costs included non-cash charges related to accelerated amortization for stock grants associated with employee separations totaling $135 million. Facilities-related costs included the closure or subletting of excess space, and the consolidation of Private Client offices in the United States, Europe, Asia Pacific and Japan. Management expects the remaining restructuring-related branch closings and employee separations to be completed in 2002. Any unused portion of the original restructuring reserve will be reversed. Substantially all of the cash payments related to real estate and severance will be funded by cash from operations. Asset write-offs primarily reflected the write-off of technology assets and furniture and equipment which resulted from management's decision to close Private Client branch offices. Utilization of the restructuring reserve and a rollforward of headcount and office consolidations at September 27, 2002 is as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Initial Balance	Utilized in 2001	Utilized in 2002 (2)	Balance Sept. 27, 2002
Category:				
Severance costs	$1,133	$(214)	$ (809)	$ 110
Facilities costs	299	-	(72)	227
Technology and fixed asset write-offs	187	(187)	-	-
Other Costs	178	-	(67)	111
	$1,797	$(401)	$ (948)	$ 448
Staff Reductions	6,205	(749)	(5,061)	395
Office Consolidations(1)	188	-	(105)	83

(1) Office consolidation is considered complete when all payments have been made.
(2) The 2002 utilization includes changes in estimates which are attributable to differences in actual cost from initial estimates in implementing the original restructuring plan. As a result of changes in estimates during the third quarter of 2002, reserves of $2 million were reversed.
</TABLE>

NOTE 3. INVESTMENT SECURITIES

Investment securities at September 27, 2002 and December 28, 2001 are presented below:
<TABLE>
<CAPTION>
(dollars in millions)

	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>
INVESTMENT SECURITIES		
Available-for-sale	$ 70,816	$74,356
Trading	3,301	7,842
Held-to-maturity	591	434
Non-qualifying: (1)		
Deferred compensation hedges (2)	1,953	1,666
Other (3)	3,497	3,374
Total	$ 80,158	$87,672

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

NOTE 4. SHORT-TERM BORROWINGS

Short-term borrowings at September 27, 2002 and December 28, 2001 are presented below:

<TABLE>
<CAPTION>
(dollars in millions)

	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS		
Commercial paper	$ 2,794	$ 2,950
Other	3,825	2,191
Total	$ 6,619	$ 5,141
DEPOSITS		
U.S.	$ 68,237	$73,555
Non-U.S.	12,588	12,264
Total	$ 80,825	$85,819

</TABLE>

NOTE 5. SEGMENT INFORMATION

In reporting to management, Merrill Lynch's operating results are categorized into three business segments: Global Markets and Investment Banking ("GMI"), the Private Client Group ("Private Client") and MLIM. Beginning in the first quarter of 2002, GMI's results include income generated by the investment portfolio of Merrill Lynch's U.S. banks, which was previously recorded in the Private Client segment. This change reflects a transfer in responsibility for this activity, which was made to better align functional and management responsibilities. In addition, MLIM's results include a share of the income generated from the assets under management in money market funds sold through Private Client. Previously, this income was recorded entirely in Private Client. The Private Client business will earn an appropriate portion of the total fees for selling the funds, while revenues and expenses associated with management of the funds are recorded in MLIM. Revenues and expenses associated with these intersegment activities are recognized in each segment and eliminated at the corporate level. Prior period amounts have been restated to conform to the current period presentation.

Included in both GMI's and Private Client's results for the third quarter 2002 is a September 11-related partial business interruption settlement for foregone pre-tax profits of $50 million and $25 million, respectively, which was recorded as a reduction of non-interest expenses. The corporate segment includes $116 million of net insurance recoveries, for a portion of the replacement and recovery costs, in the 2002 third quarter. The third quarter of 2001 included September 11-related pre-tax expenses of $88 million, which were net of an insurance receivable of $50 million. For information on each segment's business activities, see the portions of the 2001 Annual Report included as an exhibit to Form 10-K.

Operating results by business segment are as follows:
<TABLE>
<CAPTION>
(dollars in millions)

Three Months Ended September 27, 2002	GMI	PRIVATE CLIENT	MLIM	CORPORATE ITEMS	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Non-interest revenues	$ 1,284	$ 1,757	$ 363	$ (28) (1)	$ 3,376
Net interest income(2)	674	328	6	(22) (3)	986
Net revenues	1,958	2,085	369	(50)	4,362
Non-interest expenses	1,385	1,771	299	(147) (4)	3,308
Pre-tax earnings	$ 573	$ 314	$ 70	$ 97	$ 1,054
Pre-tax earnings (loss) before September 11-related items	$ 523	$ 289	$ 70	$ (19)	$ 863
Quarter-end total assets	$382,848	$50,073	$2,522	$4,321	$439,764

Three Months Ended September 28, 2001	GMI	PRIVATE CLIENT	MLIM	CORPORATE ITEMS	TOTAL
Non-interest revenues	$ 1,861	$ 1,981	$ 472	$ (48) (1)	$ 4,266
Net interest income(2)	474	415	9	(19) (3)	879
Net revenues	2,335	2,396	481	(67)	5,145
Non-interest expenses	1,778	2,196	389	96 (4)	4,459
Pre-tax earnings (loss)	$ 557	$ 200	$ 92	$ (163)	$ 686

	GMI	PRIVATE CLIENT	MLIM	CORPORATE ITEMS	TOTAL
Pre-tax earnings (loss) before September 11-related items	$ 557	$ 200	$ 92	$ (75)	$ 774
Quarter-end total assets	$385,140	$56,803	$2,451	$4,212	$448,606

(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.
(4) In 2002, represents September 11 net insurance recovery of $116 million, elimination of intersegment expenses of $34 million offset by legal fees of $3 million. In 2001, represents net September 11 expenses of $88 million, goodwill amortization of $53 million, net of elimination of intersegment expenses of $45 million.
</TABLE>

<TABLE>
<CAPTION>
(dollars in millions)

Nine Months Ended September 27, 2002	GMI	PRIVATE CLIENT	MLIM	CORPORATE ITEMS	TOTAL
<S>	<C>	<C>	<C>	<C>	<C>
Non-interest revenues	$ 5,078	$ 5,623	$1,218	$ (110) (1)	$ 11,809
Net interest income(2)	1,613	1,027	17	(63) (3)	2,594
Net revenues	6,691	6,650	1,235	(173)	14,403
Non-interest expenses	4,836	5,718	951	(116) (4)	11,389
Pre-tax earnings (loss)	$ 1,855	$ 932	$ 284	$ (57)	$ 3,014
Pre-tax earnings (loss) before September 11-related items	$ 1,805	$ 907	$ 284	$ (173)	$ 2,823

Nine Months Ended September 28, 2001	GMI	PRIVATE CLIENT	MLIM	CORPORATE ITEMS	TOTAL
Non-interest revenues	$ 7,059	$ 6,383	$1,483	$ (201) (1)	$ 14,724
Net interest income(2)	1,285	1,160	19	(60) (3)	2,404
Net revenues	8,344	7,543	1,502	(261)	17,128
Non-interest expenses	6,064	6,864	1,237	74 (4)	14,239
Pre-tax earnings (loss)	$ 2,280	$ 679	$ 265	$ (335)	$ 2,889
Pre-tax earnings (loss) before September 11-related items	$ 2,280	$ 679	$ 265	$ (247)	$ 2,977

(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.

(4) In 2002, represents September 11 net insurance recovery of $116 million, elimination of intersegment expenses of $114 million, net of the provision for the payment to the NYAG and related costs of $114 million. In 2001, represents net September 11 expenses of $88 million, goodwill amortization of $156 million, net of elimination of intersegment expenses of $170 million.
</TABLE>

NOTE 6. COMPREHENSIVE INCOME

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

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2002	Sept. 28, 2001	Sept. 27, 2002	Sept. 28, 2001
<S>	<C>	<C>	<C>	<C>
Net earnings	$693	$ 422	$1,974	$1,837
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	(5)	(36)	(29)	(47)
Net unrealized loss on investment securities available-for-sale	(50)	(202)	(14)	(209)
Deferred gain (loss) on cash flow hedges	(6)	56	(20)	95
Total other comprehensive loss, net of tax	(61)	(182)	(63)	(161)
Comprehensive income	$632	$ 240	$1,911	$1,676

</TABLE>

NOTE 7. 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		Nine Months Ended	
	Sept. 27, 2002	Sept. 28, 2001	Sept. 27, 2002	Sept. 28, 2001
<S>	<C>	<C>	<C>	<C>
Net earnings	$ 693	$ 422	$ 1,974	$ 1,837
Preferred stock dividends	10	10	29	29
Net earnings applicable to common stockholders	$ 683	$ 412	$ 1,945	$ 1,808
(shares in thousands)				
Weighted-average shares outstanding	864,629	845,841	860,370	839,810

Effect of dilutive instruments(1)(2):				
Employee stock options	21,917	46,547	33,038	56,995
Financial Advisor Capital Accumulation Award Plan shares	23,083	26,947	24,080	27,435
Restricted shares and units	24,787	15,090	24,433	14,449
Employee Stock Purchase Plan shares	61	44	80	64
Dilutive potential common shares	69,848	88,628	81,631	98,943
Total weighted-average diluted shares	934,477	934,469	942,001	938,753
Basic earnings per common share	$ 0.79	$ 0.49	$ 2.26	$ 2.15
Diluted earnings per common share	$ 0.73	$ 0.44	$ 2.07	$ 1.93

(1) During the 2002 and 2001 third quarter there were 179 million and 52 million instruments, respectively, that were considered antidilutive and not included in the above computations.
(2) See Note 14 to Consolidated Financial Statements in the 2001 Annual Report included as an exhibit to Form 10-K for a description of these instruments.
</TABLE>

NOTE 8. COMMITMENTS AND OTHER CONTINGENCIES

Merrill Lynch enters into commitments to extend credit, predominantly at variable interest rates, in connection with corporate finance and loan syndication transactions. Customers may also be extended loans or lines of credit collateralized by first and second mortgages on real estate, certain liquid assets of small businesses, or securities. Merrill Lynch also issues various guarantees to counterparties in connection with certain leasing, securitization, and other transactions. These commitments and guarantees usually have a fixed expiration date and are contingent on certain contractual conditions that may require payment of a fee by the counterparty. Once commitments are drawn upon or guarantees are issued, Merrill Lynch may require the counterparty to post collateral depending upon creditworthiness and market conditions.

The contractual amounts of these commitments and guarantees represent the amounts at risk should the contract be fully drawn upon, the client defaults, and the value of the existing collateral becomes worthless. The total amount of outstanding commitments and guarantees may not represent future cash requirements, as commitments and guarantees may expire without being drawn upon.

At September 27, 2002 and December 28, 2001, Merrill Lynch had the following commitments and guarantees with commitment expirations as follows:
<TABLE>
<CAPTION>
(dollars in millions)

	Expiration				Total Commitments	
	Less than 1 year	1-3 years	4-5 years	Over 5 years	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commitments to extend credit	$21,336	$3,563	$5,689	$4,127	$34,715 (1)	$17,521 (1)
Third-party guarantees	120	91	6	44	261	316
SPE-related:						
Liquidity facilities	14,006	-	-	-	14,006	11,400
Leasing-related	81	91	333	504	1,009	1,247

(1) Approximately $17.6 billion and $5.4 billion at September 27, 2002 and December 28, 2001, respectively, relate to secured lending activities.
</TABLE>

The commitments to extend credit are comprised of commercial paper back-up lines of credit, syndicated loans, mortgages, and other institutional and retail commitments to extend credit.

SPE-related commitments include liquidity facilities and default protection to investors in securities issued by SPEs which relate to collateralized lending and are substantially over-collateralized, therefore the fair value of these commitments approximates zero as of September 27, 2002. Merrill Lynch also provides guarantees to holders of notes issued by SPEs relating to the residual value of property and equipment lease assets held by the SPEs.

In the normal course of business, Merrill Lynch is 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 services institution. As of September 27, 2002, Merrill Lynch has been named as party in various legal actions, some of which involve claims for substantial amounts. Although the results of legal actions cannot be predicted with certainty, it is the opinion of management that the resolution of these actions will not have a material adverse effect on the financial position or cash flows of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results for any particular period. All settlements during the period have been paid out of operating cash flows. See Part II, Item 1. Legal Proceedings for additional information.

- --
NOTE 9. REGULATORY REQUIREMENTS
- --

Certain U.S. and non-U.S. subsidiaries are subject to various securities, banking and insurance 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 September 27, 2002, MLPF&S's regulatory net capital of $3,149 million was approximately 21% of ADI, and its regulatory net capital in excess of the minimum required was $2,852 million at 2% of ADI.

Merrill Lynch International ("MLI"), a U.K. registered broker-dealer, 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 September 27, 2002, MLI's financial resources were $4,841 million, exceeding the minimum requirement by $868 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 September 27, 2002, MLGSI's liquid capital of $1,841 million was 219% of its total market and credit risk, and liquid capital in excess of the minimum required was $834 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 September 27, 2002 and December 28, 2001.

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%:

(dollars in millions)

	Sept. 27, 2002 Actual Ratio	Sept. 27, 2002 Amount	Dec. 28, 2001 Actual Ratio	Dec. 28, 2001 Amount
TIER I LEVERAGE (TO AVERAGE ASSETS)				
MLBUSA	5.49%	$ 3,578	5.61%	$ 3,576
MLB&T	5.71	844	6.90	1,047
TIER I CAPITAL (TO RISK-WEIGHTED ASSETS)				
MLBUSA	11.65	3,578	14.30	3,576
MLB&T	21.02	844	20.47	1,047
TOTAL CAPITAL (TO RISK-WEIGHTED ASSETS)				
MLBUSA	12.70	3,898	15.44	3,860
MLB&T	21.03	844	20.48	1,048

In April 2001, MLBUSA entered into a synthetic securitization of specified reference portfolios of asset-backed securities ("ABS") owned by MLBUSA totaling in aggregate up to $20 billion. All of the ABS in the reference portfolios were rated AAA and all were further insured as to principal and interest payments by an insurer rated AAA. This synthetic securitization allowed MLBUSA to reduce the credit risk on the respective reference portfolios by means of credit default swaps with a bankruptcy remote SPE. In turn, the SPE issued a $20 million credit linked note to unaffiliated buyers. MLBUSA retained a first risk of loss equity tranche of $1 million in the transaction. As a result of the April 2001 transaction, MLBUSA was able to reduce risk-weighted assets by $211 million at December 28, 2001, thereby increasing its Tier I and Total RBC ratios by 12 basis points and 13 basis points, respectively. This structure did not result in a material change in the distribution or concentration risk in the retained portfolio. This synthetic securitization was fully terminated on May 15, 2002.

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 September 27, 2002, and the related condensed consolidated statements of earnings for the three-month and nine-month periods ended September 27, 2002 and September 28, 2001, and the condensed consolidated statements of cash flows for the nine-month periods ended September 27, 2002 and September 28, 2001. 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 28, 2001, 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 25, 2002, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 28, 2001 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
New York, New York
November 8, 2002

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 and affiliates, "Merrill Lynch") is a holding company that, through its subsidiaries and affiliates, provides investment, financing, advisory, insurance, banking and related services worldwide. 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 or uncontrollable factors. These factors include economic conditions, monetary and fiscal policies, the liquidity of global markets, international and regional political events, acts of war, 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 affecting the conduct of its business, including increased regulations and by the outcome of legal and regulatory proceedings, including those described in Part II, Item 1. Legal 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, and investment management.

The financial services industry continues to be affected by the intensifying competitive environment, as demonstrated by consolidation through mergers and acquisitions, competition from new entrants as well as established competitors using the Internet or other technology to establish or expand their businesses, and diminishing margins in many mature products and services. The Gramm-Leach-Bliley Act, passed in 1999, which repealed laws that separated commercial banking, investment banking and insurance activities, together with changes to the industry resulting from previous reforms, has increased the number of companies competing for a similar customer base. In addition, the regulatory reforms and initiatives currently being considered by the U.S. Congress, various Federal securities regulators and industry participants regarding the role of research in connection with providing financial services may affect how financial services companies interact with their customers and the cost structure for such services.

Certain statements contained in this Report may constitute forward-looking statements, including, for example, 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 facts and represent only Merrill Lynch'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 both in the United States and throughout the world, and the other risks detailed in Merrill Lynch's 2001 Form 10-K and in this Form 10-Q. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date 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 date the forward-looking statement was made. The reader should, however, consult any further disclosures of a forward-looking nature 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

Market conditions remained challenging during the third quarter for the industry as a whole. Most equity indices worldwide declined by double digit percentages from the end of the 2002 second quarter, and global merger and acquisition and securities origination volumes continued to be subdued amid market and issuer uncertainty.

Long-term U.S. interest rates, as measured by the yield on the 10-year U.S.

Treasury bond, fell from 4.80% to 3.59% during the third quarter. Treasury bonds rallied again this quarter on weak economic data and a drop in stocks, capping one of the best-ever quarterly performances by the government securities market. The U.S. Federal Reserve Bank kept the federal funds rate and the discount rate unchanged during the third quarter. Credit spreads, which represent the risk premium over the risk-free rate paid by an issuer (based on the issuer's perceived creditworthiness) widened during the third quarter of 2002.

U.S. equity indices were down sharply during the third quarter of 2002. The Dow Jones Industrial Average finished down 18% for the third quarter and 14% from year-ago levels. The NASDAQ Composite Index declined 20% during the quarter and 22% from year-ago levels.

The Dow Jones World Index, excluding the United States, fell 19% in the third quarter of 2002 and 14% from the third quarter of last year. Markets across Europe tumbled during the quarter, hitting new five-year, and in some cases, six-year lows. The Dow Jones Stoxx Index, which measures 600 European blue-chip companies, dropped 23% during the quarter. In Japan, the Nikkei Stock Average Index ended the quarter down 12%. Although they continued to outperform most other countries, emerging markets suffered in the third quarter, erasing first-half gains and leaving them down 12% for the year.

According to Thomson Financial Securities Data, global debt and equity underwriting volume was down 13% in the quarter compared with the third quarter of 2001, which was negatively affected by the terrorist attacks of September 11. In the United States, underwriting fees fell 21% amid a falloff in more lucrative stock deals, such as Initial Public Offerings ("IPOs"). In total, equity and equity-linked securities issuance volume decreased 41% compared to the third quarter of 2001. With just seven IPOs by U.S. issuers, the 2002 third quarter had the lowest volume since the first quarter of 1980.

Falling stocks and economic uncertainty continued to adversely affect the merger and acquisition market in the 2002 third quarter. According to Thomson Financial Securities Data, the value of worldwide announced merger and acquisition deals fell 37% from the level in the third quarter of 2001. The value of announced merger and acquisition deals in the United States declined 42% from the third quarter of 2001.

During the 2002 third quarter, the Financial Services Forum, a CEO-led group of the industry's largest companies, of which Merrill Lynch is a member, announced that all of its publicly traded member companies will expense employee stock options. Merrill Lynch is still evaluating when this proposal will be adopted.

Merrill Lynch continually evaluates its businesses for profitability and performance under varying market conditions and, in light of the evolving conditions in the competitive environment, for alignment with its long-term strategic objectives. 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 Nine Months Ended	
(dollars in millions, except per share amounts)	Sept. 27, 2002	Sept. 28, 2001	Sept. 27, 2002	Sept. 28, 2001
<S>	<C>	<C>	<C>	<C>
Net Revenues				
Commissions	$1,122	$1,204	$ 3,555	$ 4,071
Principal transactions	377	739	1,982	3,344
Investment banking				
Underwriting	332	563	1,321	1,900
Strategic advisory	163	294	540	891
Asset management and portfolio service fees	1,217	1,337	3,808	4,072
Other	165	129	603	

				446
Subtotal	3,376	4,266	11,809	14,724
Interest and dividend revenues	3,484	4,663	9,966	16,459
Less interest expense	2,498	3,784	7,372	14,055
Net interest profit	986	879	2,594	2,404
Total Net Revenues	4,362	5,145	14,403	17,128
Non-interest expenses:				
Compensation and benefits	2,228	2,757	7,443	8,978
Communications and technology	421	529	1,307	1,695
Occupancy and related depreciation	218	280	684	820
Brokerage, clearing, and exchange fees	182	219	552	697
Advertising and market development	125	165	426	575
Professional fees	135	115	397	408
Office supplies and postage	62	78	196	266
Goodwill amortization	-	53	-	156
Other	128	175	575	556
Recoveries/expenses related to Sept.11	(191)	88	(191)	88
Total non-interest expenses	3,308	4,459	11,389	14,239
Pre-tax earnings	$1,054	$ 686	$ 3,014	$ 2,889
Net earnings	$ 693	$ 422	$ 1,974	$ 1,837
Earnings per common share:				
Basic	$ 0.79	$ 0.49	$ 2.26	$ 2.15
Diluted	0.73	0.44	2.07	1.93
Annualized return on average common stockholders' equity	12.7%	8.0%	12.5%	12.2%
Pre-tax profit margin	24.2	13.3	20.9	16.9
Compensation and benefits as a percentage of net revenues	51.1%	53.6%	51.7%	52.4
Non-compensation expenses as a percentage of net revenues	24.8	33.1	27.4	30.7

</TABLE>

Quarterly Results of Operations

Merrill Lynch's net earnings were $693 million for the 2002 third quarter, 64% higher than the $422 million reported in the third quarter of 2001. Earnings per common share were $0.79 basic and $0.73 diluted, compared with $0.49 basic and $0.44 diluted in the 2001 third quarter. Third quarter 2002 net earnings include $191 million ($114 million after-tax, or $0.12 per diluted share), attributable to a September 11-related net insurance recovery. Third quarter 2001 net earnings included $88 million ($53 million after-tax, or $0.06 per diluted share), of September 11-related expenses.

Net revenues were $4.4 billion, 15% lower than the 2001 third quarter. Details of significant changes in revenue line items are as follows:

- Commission revenues were $1.1 billion, 7% below the 2001 third quarter, due primarily to a global decline in client transaction volumes, particularly in listed equities and mutual funds.

- Principal transactions revenues decreased $362 million, or 49%, from the third quarter of 2001, to $377 million, due primarily to lower revenues from equities and equity derivatives, which were adversely impacted by reduced customer flows, the conversion of large size Nasdaq orders for institutional clients to a commission-based structure over the past year, and lower debt trading revenues.

- Net interest profit was $986 million, up $107 million, or 12%, from the 2001 third quarter due to a favorable yield curve environment and increased dividend and interest income associated with certain trading strategies, the impact of which was partially offset by a reduction in principal transactions revenues.

- Underwriting revenues were $332 million, 41% lower than the 2001 third quarter. Strategic advisory revenues declined 45% from the 2001 third quarter to $163 million. These decreases reflect the global decline in investment banking activity.

- Asset management and portfolio service fees were $1.2 billion, down 9% from the third quarter of 2001. This decrease is primarily the result of a market-driven decline in equity assets under management and a shift in asset mix.

- Other revenues were $165 million, up $36 million from the 2001 third quarter, resulting primarily from increased realized gains on the investment portfolios of Merrill Lynch's U.S. banks.

Compensation and benefits expenses were $2.2 billion, a decrease of $529 million, or 19%, from the 2001 third quarter. The decrease is due primarily to lower incentive compensation accruals, reduced staffing levels, and lower severance expenses. Compensation and benefits expenses were 51.1% of net revenues for the third quarter of 2002, compared to 53.6% in the 2001 third quarter.

Non-compensation expenses decreased 37% from the third quarter of 2001 to $1.1 billion. Excluding the impact of September 11-related items, non-compensation expenses were $1.3 billion, a decline of 21% from the 2001 third quarter. Details of the significant changes in non-compensation expenses follow:

- Communications and technology costs were $421 million, down 20% from the third quarter of 2001 due to lower technology equipment depreciation, communications costs, and systems consulting costs.

- Occupancy and related depreciation was $218 million in the third quarter of 2002, a decline of 22% from the year-ago period due primarily to lower rental expenses resulting from the fourth quarter 2001 restructuring initiatives.

- Brokerage, clearing, and exchange fees were $182 million, down 17% from the third quarter of 2001.

- Advertising and market development expenses were $125 million, down 24% from the third quarter of 2001 due primarily to reduced spending on travel and advertising.

- Professional fees increased 17% from the third quarter of 2001 to $135 million, due principally to increased legal fees.

- Office supplies and postage decreased 21% from the third quarter of 2001 to $62 million due to lower levels of business activity, and efficiency initiatives.

- In accordance with SFAS No. 142, goodwill amortization, which totaled $53 million in the 2001 third quarter, is no longer being recorded. Refer to Note 1 to the Condensed Consolidated Financial Statements for additional information.

- Other expenses, excluding the September 11-related items, were $128 million, down 27% due to lower provisions for various business matters, including litigation.

- In the third quarter of 2002, Merrill Lynch recorded a September 11-related net insurance recovery representing a partial pre-tax reimbursement of $200 million, offset by September 11-related expenses of $9 million. The reimbursement is for a portion of the replacement and recovery costs, and a partial business interruption settlement for foregone profits. The third quarter of 2001 included September 11-related pre-tax expenses of $88 million, which were net of an insurance receivable of $50 million.

Year-to-date Results of Operations

For the first nine months of 2002, net earnings were $2.0 billion, compared to $1.8 billion for the corresponding period in 2001. Excluding the impact of September 11-related items, net earnings decreased 2% from the year-ago period, to $1.9 billion. Net revenues were $14.4 billion, down 16% from the first nine months of 2001. The impact of the decline in net revenues on year-to date earnings was limited by a $2.9 billion, or 20%, reduction in non-interest expenses ($2.6 billion, or 18%, excluding September 11-related items). Decreases were experienced in all expense categories, reflecting actions taken to align Merrill Lynch's capacity with the current business environment and opportunities for future growth, including the fourth quarter 2001 restructuring. Year-to-date earnings per common share were $2.26 basic and $2.07 diluted ($2.13 and $1.95, respectively, excluding September 11-related items), compared with $2.15 basic and $1.93 diluted in the first nine months of 2001 ($2.21 and $1.99, respectively, excluding September 11-related items). The pre-tax margin for the nine months of 2002 was 20.9%, up from 16.9% in the year-ago period (19.6% and 17.4%, respectively, excluding September 11-related items). Annualized return on average common stockholder's equity was 12.5% for the first nine months of 2002 compared to 12.2% for the comparable period in 2001.

Merrill Lynch's year-to-date effective tax rate was 29.7%, unchanged from the first six months of 2002, and down from the full year 2001 rate of 44.2%. The 2001 rate reflected non-deductible losses associated with the refocusing of the Japan Private Client business, which were included in the restructuring charge, including a write-off of previously recognized deferred tax assets of approximately $135 million. The full year 2001 rate, excluding the impact of the restructuring charge and September 11-related items, was 30.4%.

Merrill Lynch is not optimistic that the environment in the fourth quarter will lead to an improvement in revenues, and remains cautious in its near-term outlook. In addition, the financial services industry continues to experience higher financing premiums than previously, which, if sustained, could adversely impact profitability.

Restructuring and other charges

In the fourth quarter of 2001, Merrill Lynch recorded a pre-tax charge of $2.2 billion ($1.7 billion after-tax) related to the resizing of selected businesses and other structural changes. This charge was recorded as Restructuring and other charges on the Condensed Consolidated Statements of Earnings. The charge was the result of a detailed review of all businesses, with a focus on improving profit margins and aligning capacity with the current business environment and opportunities for future growth. These actions were expected to result in pre-tax annual expense savings of approximately $1.4 billion. Merrill Lynch has achieved these annual savings in the first nine months of 2002. Opportunities exist to reduce non-compensation expenses further, although much of the savings realized going forward will be reinvested into priority growth initiatives, including foreign exchange, securities services, and secondary equities for GMI, small business lending and banking services for the Private Client business in the United States, as well as the institutional business in the United States and third party distribution in Europe for Merrill Lynch Investment Managers. For further information regarding the details of restructuring and other charges, see Note 2 to the Condensed Consolidated Financial Statements.

BUSINESS SEGMENTS

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

Certain MLIM and GMI products are distributed through Private Client distribution channels, and, to a lesser extent, certain MLIM products are distributed through GMI. Revenues and expenses associated with these intersegment 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 at the corporate level. Business segment results are restated to reflect reallocations of revenues and expenses which result from changes in Merrill Lynch's business strategy and structure. Included in both GMI's and Private Client's results is a September 11-related partial business interruption settlement for foregone pre-tax profits of $50 million and $25 million, respectively, which was recorded as a reduction of non-interest expenses.

GLOBAL MARKETS AND INVESTMENT BANKING

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

(dollars in millions)	For the Three Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)	For the Nine Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commissions	$ 514	$ 493	4	$1,578	$1,646	(4)
Principal transactions and net interest profit	874	956	(9)	2,927	3,744	(22)
Investment banking	431	768	(44)	1,669	2,501	(33)
Other revenues	139	118	18	517	453	14
Total net revenues	1,958	2,335	(16)	6,691	8,344	(20)
Non-interest expenses	1,435	1,778	(19)	4,886	6,064	(19)
Pre-tax earnings, before September 11 recovery	523	557	(6)	1,805	2,280	(21)
September 11 recovery	50	-	N/M	50	-	N/M
Pre-tax earnings	$ 573	$ 557	3	$1,855	$2,280	(19)
Pre-tax profit margin (1)	29.3%	23.9%		27.7%	27.3%	

(1) Pre-tax profit margin before the September 11 recovery was 26.7% and 27.0% for the three- and nine- month periods ended September 27, 2002, respectively.
</TABLE>

Against the backdrop of challenging market conditions, GMI's performance was driven primarily by the debt markets business, which had its strongest-ever first nine months earnings. For the 2002 third quarter, the debt markets business had particularly strong results in the trading of interest rate products, especially in derivatives and U.S. governments. These results were partially offset by lower investment banking revenues driven by lower levels of activity in mergers and acquisitions and equity origination, as well as by reduced revenues from cash equity and equity-linked trading. GMI's results also reflect continued discipline in reducing expenses and achieving efficiency and productivity improvements.

GMI's third quarter 2002 pre-tax earnings were $573 million. Excluding the September 11 recovery, GMI's pre-tax earnings were $523 million, 6% below the 2001 third quarter, on net revenues that were 16% lower, at $2.0 billion. GMI's pre-tax margin excluding the recovery was 26.7%, almost three percentage points above the year-ago quarter. This improvement is due in part to a 19% reduction in non-interest expenses, excluding the recovery, from the 2001 third quarter.

GMI's year-to-date pre-tax earnings were $1.9 billion. Excluding the September 11 recovery, GMI's pre-tax earnings were $1.8 billion, 21% lower than the 2001 first nine months. Year-to-date net revenues were $6.7 billion, a decline of 20% from the year-ago period. GMI's year-to-date pre-tax margin excluding the recovery was 27.0%, compared with 27.3% in the same period last year.

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. In addition, in late 2001, Merrill Lynch instituted a program for providing enhanced brokerage services to its customers with large size Nasdaq orders in exchange for an agreed-upon per share commission in lieu of the traditional spread. Nearly all Nasdaq institutional client trades are now done on an agency, rather than a principal, basis.

Commissions revenues increased 4% to $514 million in the third quarter of 2002, compared to the year-ago quarter as a result of increased commissions in U.S. over-the-counter securities, resulting primarily from the change from a spread basis to a commission basis for large size Nasdaq orders. Year-to-date commissions revenues decreased by 4% to $1.6 billion as compared to the first nine months of 2001 as a result of a global decline in equity trading volumes and prices.

Principal transactions and net interest profit

<TABLE>
<CAPTION>

(dollars in millions)	For the Three Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)	For the Nine Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Debt and debt derivatives	$ 785	$ 679	16	$ 2,401	$ 2,320	3
Equities and equity derivatives	89	277	(68)	526	1,424	(63)
Total	$ 874	$ 956	(9)	$ 2,927	$ 3,744	(22)

</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, as well as unrealized gains and losses on those marketable investment securities held by Merrill Lynch's U.S. banks, which are classified as trading securities.

Net interest profit is a function of the level and mix of total assets and liabilities, including trading assets owned, 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. Beginning in the first quarter of 2002, GMI's net interest profit included income generated by the investment portfolio of Merrill Lynch's U.S. banks which was previously recorded in the Private Client segment. This change follows a transfer in responsibility for this activity, which was made to better align functional and management responsibilities. The prior year segment results have been restated to reflect this change.

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 $874 million in the third quarter of 2002, down 9% from $1.0 billion in the third quarter of 2001. Debt and debt derivatives net trading revenues were $785 million, up 16% from the third quarter of 2001, reflecting increased trading of interest rate and other products due to a favorable yield curve environment and proprietary positioning. Equities and equity derivatives net trading revenues decreased 68% from the third quarter of 2001 to $89 million, primarily due to reduced customer flows and the conversion of the Nasdaq business to a commission-based structure over the past year.

On a year-to-date basis, net trading revenues were down 22% compared to the first nine months of 2001, due to the significant decrease in equity and equity derivatives revenues. Debt trading revenues were up slightly over the prior year period. The 2002 second quarter results included $70 million related to the sale of certain energy trading assets in 2001, which was largely offset by write-downs of credit positions, principally in the telecommunications sector. The 2001 first quarter results included the gain on the sale of certain energy-trading assets.

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Investment Banking

- ---

<TABLE>
<CAPTION>

(dollars in millions)	For the Three Months Ended Sept. 27, 2002	Sept. 28, 2001	% (Dec.)	For the Nine Months Ended Sept. 27, 2002	Sept. 28, 2001	% (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Debt underwriting	$ 186	$ 197	(6)	$ 555	$ 679	(18)
Equity underwriting	82	277	(70)	574	931	(38)
Total underwriting	268	474	(43)	1,129	1,610	(30)
Strategic advisory services	163	294	(45)	540	891	(39)
Total	$ 431	$ 768	(44)	$1,669	$2,501	(33)

</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 2002 third quarter were $268 million, down 43% from the $474 million recorded in the third quarter of 2001. This decrease is the result of sharply lower equity underwriting revenues, which declined 70% to $82 million, and lower debt underwriting revenues, which declined 6% from the third quarter of 2001, to $186 million. These decreases resulted from a lower market share and a reduced volume of transactions. Merrill Lynch ranked sixth in global debt and fifth in global equity and equity-linked underwriting in the third quarter of 2002 with a 7.4% and 6.9% 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.

Merrill Lynch was the lead manager of a syndicate underwriting the issuance of securities of Chartered Semiconductor Manufacturing through a rights offering to existing stockholders. Subsequent to quarter-end, the stock price was below the rights conversion price of Singapore $1.00 and the offering closed. Syndicate members adhered to a contingent commitment to purchase a substantial portion of the offering and Merrill Lynch met its requirement to purchase 275.2 million unsold securities per the underwriting and syndication arrangements and expects to maintain a position in this security and to continue utilizing hedging techniques.

Year-to-date underwriting revenues decreased 30% to $1.1 billion from $1.6 billion in the first nine months of 2001, due to decreases in both debt and equity underwriting revenues. Merrill Lynch's underwriting market share information based on transaction value follows:

<TABLE>
<CAPTION>

	For the Three Months Ended September 2002 Market Share	Rank	September 2001 Market Share	Rank
<S>	<C>	<C>	<C>	<C>
GLOBAL PROCEEDS				
Debt and equity	7.4 %	6	10.8 %	2
Debt	7.4	6	9.9	2
Equity and equity-linked	6.9	5	21.5	1
U.S. PROCEEDS				
Debt and equity	8.4 %	4	11.8 %	2

Debt	8.5	5	11.0	2
Equity and equity-linked	7.9	6	27.2	1

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

<TABLE>
<CAPTION>

	For the Nine Months Ended			
	September 2002		September 2001	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
GLOBAL PROCEEDS				
Debt and equity	8.5 %	2	11.6 %	1
Debt	8.3	2	11.3	1
Equity and equity-linked	11.2	3	14.5	1
U.S. PROCEEDS				
Debt and equity	10.2 %	2	13.8 %	1
Debt	9.8	2	13.3	1
Equity and equity-linked	16.4	3	19.8	1

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 $163 million in the third quarter of 2002, down 45% from the third quarter of 2001. Year-to-date strategic advisory services revenues decreased 39% from the first nine months of 2001, to $540 million as weak market conditions continue to have a negative impact on global merger and acquisition activity. Merrill Lynch's merger and acquisition market share information based on transaction value is as follows:

<TABLE>
<CAPTION>

	For the Three Months Ended			
	September 2002		September 2001	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
COMPLETED TRANSACTIONS				
Global	25.4 %	3	25.6 %	3
U.S.	42.5	2	16.5	5
ANNOUNCED TRANSACTIONS				
Global	13.2 %	5	36.7 %	3
U.S.	15.4	5	52.6	2

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

<TABLE>
<CAPTION>

	For the Nine Months Ended			
	September 2002		September 2001	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
COMPLETED TRANSACTIONS				
Global	22.7 %	3	29.5 %	2
U.S.	26.5	4	37.8	2
ANNOUNCED TRANSACTIONS				
Global	13.8 %	7	26.3 %	3
U.S.	11.9	9	33.1	4

- --
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, increased $21 million in the third quarter of 2002 from the year-ago quarter, to $139 million. Other revenues in the third quarter of 2002 reflect increased realized gains on the investment portfolios of Merrill Lynch's U.S. banks. Year-to-date, other revenues increased 14% to $517 million, and reflect the realized gains on the investment portfolios of the U.S. banks, as well as a $45 million pre-tax gain on the sale of the Securities Pricing Services business recorded in the first quarter of 2002.

- ---
PRIVATE CLIENT GROUP
- ---

<TABLE>
<CAPTION>
PRIVATE CLIENT'S RESULTS OF OPERATIONS

(dollars in millions)	For the Three Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)	For the Nine Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commissions	$ 578	$ 679	(15)	$1,885	$2,344	(20)
Principal transactions and new issue revenues	244	344	(29)	872	1,160	(25)
Asset management and portfolio service fees	875	928	(6)	2,719	2,792	(3)
Net interest profit	328	415	(21)	1,027	1,160	(11)
Other revenues	60	30	100	147	87	69
Total net revenues	2,085	2,396	(13)	6,650	7,543	(12)
Non-interest expenses	1,796	2,196	(18)	5,743	6,864	(16)
Pre-tax earnings, before September 11 recovery	289	200	45	907	679	34
September 11 recovery	25	-	N/M	25	-	N/M
Pre-tax earnings	$ 314	$ 200	57	$ 932	$ 679	37
Pre-tax profit margin (1)	15.1 %	8.3 %		14.0 %	9.0 %	

(1) Pre-tax profit margin before the September 11 recovery was 13.9% and 13.6% for the three- and nine- month periods ended September 27, 2002, respectively.
</TABLE>

Private Client's third quarter 2002 pre-tax earnings were $314 million. Excluding the September 11 recovery, Private Client's pre-tax earnings were $289 million, 45% higher than the 2001 third quarter, on net revenues that were down 13%, at $2.1 billion. Private Client's pre-tax margin excluding the recovery was 13.9%, compared with 8.3% in the year-ago quarter. These results reflect significantly improved performance both inside and outside the United States, driven in part by continued discipline in reducing costs and the impact of the 2001 restructuring. Private Client's business in the United States generated a pre-tax margin of 16.0% in the third quarter of 2002 excluding the recovery; an increase of more than four percentage points from the same period last year. This improvement was partially attributable to continued expense reductions. Also contributing to the improvement was a higher proportion of fee-based and recurring revenues, and the growth of the mortgage business.

Private Client's year-to-date net revenues were $6.7 billion, down 12% from the corresponding period of 2001. Pre-tax earnings were $932 million. Excluding the recovery, pre-tax earnings were $907 million, 34% higher than the first nine months of 2001. Private Client's year-to-date pre-tax margin excluding the recovery was 13.6%, compared with 9.0% for the same period last year.

Private Client employed approximately 14,600 Financial Advisors at the end of the 2002 third quarter, down from 16,400 at the end of 2001. The decline is primarily the result of staffing reductions associated with the re-focusing of the Private Client business outside the United States, as well as attrition combined with reduced hiring inside 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 15% to $578 million in the third quarter of 2002 from $679 million in the third quarter of 2001. Commissions revenues for the first nine months of 2002 were $1.9 billion, 20% lower than the first nine months of 2001. These decreases were primarily due to a global decline in client transaction volumes, particularly in equity securities and mutual funds. Commissions are also negatively affected by the ongoing transition of Private Client assets to asset-priced accounts.

Principal transactions and new issue revenues

Private Client'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. Private Client does not take any significant principal trading risk positions.

Principal transactions and new issue revenues declined 29% to $244 million in the 2002 third quarter from the year-ago quarter, as trading and new issue volume declined in a less favorable market environment. Year-to-date revenues similarly decreased from $1.2 billion in 2001 to $872 million in 2002.

Asset management and portfolio service fees

Asset management and portfolio service fees include asset management fees from taxable and tax-exempt money market funds as well as portfolio fees from fee-based accounts such as Unlimited AdvantageSM and Merrill Lynch Consults(R). Also included are servicing fees related to these accounts, as well as account and other fees.

Asset management and portfolio service fees totaled $875 million, down 6% from the $928 million recorded in the third quarter of 2001. On a year-to-date basis, asset management and portfolio service fees totaled $2.7 billion, down 3% from the year-ago period. These results reflect market-driven declines in asset levels.

An analysis of changes in assets in Private Client accounts from September 28, 2001 to September 27, 2002 is detailed below:

<TABLE>
<CAPTION>

(dollars in billions)	Sept. 28, 2001	Net Changes Due To: New Money	Asset Depreciation	Other(1)	Sept. 27, 2002
<S>	<C>	<C>	<C>	<C>	<C>
Assets in Private Client accounts:					
U.S.	$ 1,171	$ 22	$ (171)	$ (3)	$ 1,019
Non-U.S.	127	1	(6)	(35)	87
Total	$ 1,298	$ 23	$ (177)	$(38)	$ 1,106

(1) Represents business divestitures.
</TABLE>

Total assets in Private Client accounts in the United States declined 13% from the end of the 2001 third quarter, to $1.0 trillion at September 27, 2002 as a result of market-driven declines in asset values, partially offset by net new money inflows of $22 billion. Outside the United States, client assets were $87 billion, down from $127 billion at the end of the year-ago quarter, largely due to the sale of the Canadian Private Client business and market-driven declines. Net new money inflows into Private Client accounts outside the United States, excluding the impact of sold or discontinued businesses, totaled $1 billion over this period. Total assets in asset-priced accounts were $176 billion at the end of the 2002 third quarter, a decrease of 4% from the year-ago period primarily due to market-driven declines.

Net interest profit

Net interest profit for Private Client includes Private Client's allocation of the interest spread earned in Merrill Lynch's banks for the origination of deposits as well as interest earned on margin and other loans. Prior to 2002, Private Client's net interest profit included all revenues and expenses associated with managing the investment portfolio of Merrill Lynch's U.S. banks. The revenues and expenses associated with managing this portfolio are now included in GMI's results. Prior year segment results have been restated for this change.

Net interest profit was $328 million in the 2002 third quarter, down 21% from $415 million in the third quarter of 2001. Net interest profit for the nine months of 2002 was $1.0 billion, 11% lower than in the comparable period in 2001. These decreases are primarily due to lower margin balances and a reduction in the related interest rates.

Other revenues

Other revenues, which is primarily comprised of realized and unrealized investment gains and losses on investments, totaled $60 million in the third quarter of 2002 as compared to $30 million in the year-ago period. Other revenues for the first nine months of 2002 increased to $147 million from $87 million for the same period in 2001. The increases for each of these periods reflect increased realized gains related to the sales of mortgages in Merrill Lynch's U.S. banks. Other revenues in the first quarter of 2002 also included a residual pre-tax gain of $39 million related to the sale of the Canadian Private Client business. Other revenues in the 2001 first quarter included a pre-tax gain of $30 million related to the sale of the mortgage servicing business.

MERRILL LYNCH INVESTMENT MANAGERS

<TABLE>
<CAPTION>

MLIM'S RESULTS OF OPERATIONS

(dollars in millions)	For the Three Months Ended Sept. 27, 2002	Sept. 28, 2001	% (Dec.)	For the Nine Months Ended Sept. 27, 2002	Sept. 28, 2001	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commissions	$ 42	$ 60	(30)	$ 147	$ 195	(25)
Asset management fees	339	401	(15)	1,071	1,255	(15)
Other revenues	(12)	20	(160)	17	52	(67)
Total net revenues	369	481	(23)	1,235	1,502	(18)
Non-interest expenses	299	389	(23)	951	1,237	(23)
Pre-tax earnings	$ 70	$ 92	(24)	$ 284	$ 265	7
Pre-tax profit margin	19.0%	19.1%		23.0%	17.6%	

</TABLE>

Despite a challenging market environment characterized by declining equity valuations and a shift by investors out of equities into lower margin fixed income and cash products, MLIM increased profitability versus the first nine months of 2001 and maintained solid investment performance. Globally, more than 60% of MLIM's assets under management were ahead of their benchmark or category median for the 1-, 3- and 5-year periods ending September 2002.

MLIM's pre-tax earnings in the 2002 third quarter were $70 million, down 24% from $92 million in the 2001 third quarter. Net revenues decreased 23% from the year ago period to $369 million primarily reflecting a market-driven decline in equity assets under management. 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 19.0%, essentially unchanged from the year-ago quarter, as a result of actions taken over the past year to reduce expenses, including streamlining MLIM's investment platform and rationalizing its product offerings.

Year-to-date, MLIM's pre-tax earnings were $284 million, 7% higher than for the first nine months of 2001 on net revenues that were 18% lower at $1.2 billion, as expense reductions more than offset the decline in revenues. MLIM's year-to-date pre-tax margin was 23.0%, compared with 17.6% for the same period last year.

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 30% to $42 million in the 2002 third quarter from the year-ago quarter. Year-to-date commissions similarly decreased 25%, to $147 million.

Asset management fees

Asset management fees primarily consist of revenues earned from the management and administration of funds as well as performance fees earned by MLIM on separately managed accounts. Asset management fees were $339 million, a decline of 15% from the third quarter of 2001 due to a decrease in management fees, which are dependent on net asset values. On a year-to-date basis, asset management fees also decreased 15% to $1.1 billion. These declines are the result of market-driven depreciation as well as a shift by investors out of equities into lower-margin fixed income and cash products. At the end of the third quarter of 2002, assets under management totaled $452 billion, compared with $507 billion at the end of the third quarter of 2001.

An analysis of changes in assets under management from September 28, 2001 to September 27, 2002 is as follows:

<TABLE>
<CAPTION>

		Net Changes Due To			
(dollars in billions)	Sept. 28, 2001	New Money	Asset Depreciation	Other (1)	Sept. 27, 2002
<S>	<C>	<C>	<C>	<C>	<C>
Assets under management	$507	$(20)	$(42)	$7	$452

(1) Includes reinvested dividends of $5 billion, the impact of foreign exchange movements of $10 billion, net outflows of $(5) billion of retail money market funds which were transferred to bank deposits at Merrill Lynch's U.S. banks and other changes of $(3) billion, including outflows related to a business divestiture.

</TABLE>

Other Revenues

Other revenues, which primarily include net interest profit and investment gains and losses, totaled ($12) million and $20 million for the third quarter of 2002 and 2001, respectively. The third quarter 2002 results reflect investment losses. Other revenues totaled $17 million for the first nine months of 2002, as compared to $52 million in the year-ago period. Other revenues in the 2002 first quarter included the $17 million pre-tax gain on the sale of the Canadian retail mutual fund business.

AVERAGE ASSETS AND LIABILITIES

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

For the first nine months of 2002, average total assets were $443 billion, up 3% from $429 billion for the full-year 2001. Average total liabilities also increased 3% to $419 billion from $406 billion for the full-year 2001. Average total assets and liabilities for the first nine months of 2002 include the following changes as compared to the full-year 2001:

<TABLE>
<CAPTION>

(dollars in millions)	Increase/ (Decrease)	Change
<S>	<C>	<C>
AVERAGE ASSETS		
Receivables under securities borrowed transactions	$11,810	39 %
Investment securities	7,590	11
Loans, notes and mortgages (net)	7,032	36
Cash and cash equivalents	(6,732)	(31)
Customer receivables	(6,177)	(14)

AVERAGE LIABILITIES		
Deposits	$ 6,284	8 %
Payables under repurchase agreements	5,813	6
Payables under securities loaned transactions	2,408	31
Commercial paper and other short-term borrowings	(5,215)	(53)

</TABLE>

The growth in average deposits in the first nine months of 2002 from the 2001 full-year average resulted from the mid-2000 modification of the cash sweep options for certain CMA(R) and other types of Merrill Lynch accounts to generally sweep cash into interest-bearing bank deposits at Merrill Lynch's U.S. banks, rather than MLIM-managed money market mutual funds. This increase in deposits was primarily used by the U.S. banks to make loans and purchase investment securities. Additionally, securities financing transactions rose due to increased matched-book activity. Merrill Lynch enters into matched-book transactions to accommodate clients, finance firm inventory positions, and obtain securities for settlement.

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:

- o sufficient equity capital to absorb losses and,
- o 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 28, 2001.

Capital Adequacy

At September 27, 2002, Merrill Lynch's equity capital was comprised of $21.9 billion in common equity, $425 million in preferred stock, and $2.7 billion of preferred securities issued by subsidiaries. Preferred securities issued by subsidiaries consist primarily of Trust Originated Preferred SecuritiesSM ("TOPrS"SM). Management believes that Merrill Lynch's equity capital base of $25.0 billion is adequate.

Merrill Lynch's leverage ratios were as follows:
<TABLE>
<CAPTION>

	Leverage Ratio(1)	Adjusted Leverage Ratio(2)
<S>	<C>	<C>
PERIOD-END		
September 27, 2002	17.6x	12.4x
December 28, 2001	18.5x	12.8x
AVERAGE (3)		
Nine months ended Sept. 27, 2002	18.6x	12.8x
Year ended December 28, 2001	18.8x	13.1x

</TABLE>

(1) Total assets to Total stockholders' equity and Preferred securities issued by subsidiaries.
(2) Total assets less (a) Receivables under resale agreements (b) Receivables under securities borrowed transactions and (c) Securities received as collateral to Total stockholders' equity and Preferred securities issued by subsidiaries.
(3) Computed using month-end balances.

An asset-to-equity leverage ratio does not reflect the risk profile of assets, hedging strategies, or off-balance sheet exposures. Thus, Merrill Lynch does not rely on overall leverage ratios to assess risk-based capital adequacy.

Funding

Commercial paper outstanding totaled $2.8 billion at September 27, 2002 and $3.0 billion at December 28, 2001, which was 3% and 4% of total unsecured borrowings at September 27, 2002 and year-end 2001, respectively. Deposits at Merrill Lynch's banking subsidiaries totaled $80.8 billion at September 27, 2002, down from $85.8 billion at year-end 2001. Of the $80.8 billion of deposits in Merrill Lynch banking subsidiaries as of September 27, 2002, $68.2 billion were in U.S. banks. Outstanding long-term borrowings decreased to $73.9 billion at September

27, 2002 from $76.6 billion at December 28, 2001. Major components of the change in long-term borrowings during the first nine months of 2002 are as follows:

(dollars in billions)	
Balance at December 28, 2001	$76.6
Issuances	18.3
Maturities	(23.0)
Other, net	2.0
Balance at Sept. 27, 2002 (1)	$73.9

(1) At September 27, 2002, $47.7 billion of long-term borrowings had maturity dates beyond one year.

In addition to equity capital sources, Merrill Lynch views long-term debt as a stable funding source for its balance sheet assets. As a further enhancement to liquidity, the firm maintains a portfolio of segregated U.S. Government and agency obligations, and asset-backed securities of high credit quality which had a carrying value, net of related hedges, of $12.4 billion at September 27, 2002, and $8.4 billion at December 28, 2001. These assets may be sold or pledged to provide immediate liquidity even during periods of adverse market conditions. Another source of liquidity is a committed, senior, unsecured bank credit facility, which at September 27, 2002 totaled $3.5 billion and was not drawn upon. The bank credit facility was renewed on May 9, 2002 for 364 days. At renewal, Merrill Lynch elected to reduce the amount of the bank credit facility from $5.0 billion while increasing the liquidity portfolio of segregated securities that may be sold or pledged to provide immediate liquidity. Additionally, Merrill Lynch maintains access to significant uncommitted credit lines, both secured and unsecured, from a large group of banks.

Credit Ratings

The cost and availability of unsecured funding generally are dependent on credit ratings and market conditions. In addition to the general market conditions discussed in the Business Environment section, there may be conditions specific to the financial services industry or Merrill Lynch that impact the cost or availability of funding. Merrill Lynch's senior long-term debt, preferred stock, and TOPrSSM were rated by several recognized credit rating agencies at November 8, 2002 as indicated below. These ratings do not reflect outlooks that may be expressed by the rating agencies from time to time, some of which are currently 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-

(1) Located in Japan.

On May 17, 2002, Fitch Ratings lowered its long-term debt ratings for ML & Co. (senior to "AA-" from "AA" and preferred stock and TOPrSSM to "A+" from "AA-"). The same day, Fitch also announced rating downgrades for several other securities firms. On October 17, 2002, Standard & Poor's lowered its long-term debt ratings for ML & Co. (senior to "A+" from "AA-" and preferred stock and TOPrSSM to "A-" from "A") and the short-term debt rating for ML & Co. (senior to "A-1" from "A-1+"). The same day, Standard & Poor's also announced ratings downgrades for several other securities firms.

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 28, 2001.

Market Risk

Value-at-risk ("VaR") is an estimate of the amount that Merrill Lynch's present portfolios could lose with a specified degree of confidence over a given time interval. The VaR for Merrill Lynch's overall portfolios 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 September 27, 2002 and December 28, 2001 as well as daily average VaR for the three months ended September 27, 2002. Additionally, high and low VaR for the third quarter of 2002 is presented independently for each risk category and overall.

<TABLE>
<CAPTION>

(dollars in millions)	Sept. 27, 2002	Dec. 28, 2001	Daily Average 3Q02	High 3Q02	Low 3Q02
<S>	<C>	<C>	<C>	<C>	<C>
Trading value-at-risk(1)					
Interest rate and credit spread	$ 58	$ 45	$ 51	$ 71	$ 39
Equity	38	37	36	46	26
Commodity	-	1	-	-	-
Currency	5	2	2	8	-
Volatility	18	20	15	21	7
	119	105	104		
Diversification benefit	(59)	(49)	(43)		
Overall(2)	$ 60	$ 56	$ 61	$ 76	$ 49

(1) Based on a 95% confidence level and a weekly holding period.
(2) Overall VaR using a 95% confidence level and a one-day holding period was $29 million at September 27, 2002 versus $21 million at year-end 2001.
</TABLE>

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

<TABLE>
<CAPTION>

(dollars in millions)	Sept. 27, 2002	Dec. 28, 2001
<S>	<C>	<C>
Non-trading value-at-risk(1)		
Interest rate and credit spread	$ 34	$ 20
Equity	22	28
Currency	4	7
Volatility	7	6

	67	61
Diversification benefit	(24)	(26)
Overall	$ 43	$ 35

(1) Based on a 95% confidence level and a weekly holding period.
</TABLE>

Non-trading VaR does not include risk related to Merrill Lynch's $4.7 billion of outstanding Liquid Yield Option TM Notes ("LYONs" (R)) since management expects that the LYONs(R) will be converted to common stock and will not be replaced by fixed income securities.

In addition to the amounts reported in the accompanying table, non-trading interest rate VaR associated with Merrill Lynch's TOPrSSM at September 27, 2002 and December 28, 2001 was $38 million and $33 million, respectively, based on a 95% confidence level and a weekly holding period. TOPrSSM, which are fixed-rate perpetual preferred securities, are considered a component of Merrill Lynch's equity capital and, therefore, the associated interest rate sensitivity is not hedged.

Since 2000, cash flows from client funds in certain CMA(R) and other types of accounts have been redirected from taxable money market funds to bank deposits at Merrill Lynch's U.S. banks. This increase in deposits was used to fund the growth in high credit quality investment securities. The overall VaR for the U.S. banks, based on a 95% confidence interval and a weekly holding period, was $81 million and $79 million at September 27, 2002 and December 28, 2001, respectively, which principally relates to interest rate and credit spread risk.

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 practical. 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 Condensed Consolidated Balance Sheets, providing for a more meaningful balance sheet presentation of credit exposure; however under bankruptcy laws in certain countries or in certain industries, master netting agreements are not permissible.

In addition, to reduce default risk, Merrill Lynch requires collateral, principally U.S. Government and agency securities, as well as cash, 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 $13.2 billion of collateral) of trading derivatives in a gain position by maturity at September 27, 2002. (Please note that the following table includes only credit exposure from derivative transactions and does not include other credit exposures, which may be material).

<TABLE>
<CAPTION>
(dollars in millions)

Credit Rating(1)	Years to Maturity 0-3	3+ - 5	5+ - 7	Over 7	Cross-Maturity Netting(2)	Total
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AAA	$ 5,140	$ 1,852	$ 1,152	$ 2,301	$ (694)	$ 9,751
AA	2,744	2,817	1,197	3,712	(1,999)	8,471
A	2,003	1,585	1,194	1,475	(1,522)	4,735
BBB	1,610	774	343	555	(403)	2,879
Other	964	342	179	200	(99)	1,586
Total	$ 12,461	$ 7,370	$ 4,065	$ 8,243	$(4,717)	$27,422

(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.
</TABLE>

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.

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 as BB+ or lower, 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:

(dollars in millions)	Sept. 27, 2002	Dec. 28, 2001
Trading assets:		
Cash instruments	$ 4,331	$ 4,597
Derivatives	4,413	4,478
Trading liabilities - cash instruments	(1,529)	(1,535)
Collateral on derivative assets	(2,827)	(2,934)
Net trading asset exposure	$ 4,388	$ 4,606

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 September 27, 2002, the carrying value of such debt and equity securities totaled $136 million, of which 4% resulted from Merrill Lynch's market-making activities in such securities. This compared with $58 million at December 28, 2001, of which 18% related to market-making activities. Also included are distressed bank loans, acquired as part of Merrill Lynch's secondary market activities, totaling $290 million and $245 million at September 27, 2002 and December 28, 2001, 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)	Sept. 27, 2002	Dec. 28, 2001
Investment securities	$ 352	$ 335
Loans (net of allowance for loan losses):		
Bridge loans	136	130
Other loans(1)	2,571	2,880
Other investments:		
Partnership interests (2)	1,862	1,594
Other equity investments (3)	291	140

(1) Represents outstanding loans to 121 and 138 companies at September 27, 2002 and December 28, 2001, respectively.
(2) Includes $932 million and $761 million in investments at September 27, 2002 and December 28, 2001, 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 123 and 81 enterprises at September 27, 2002 and December 28, 2001, respectively.

During the third quarter of 2002, a lending syndicate, of which Merrill Lynch is a member, entered into a Memorandum of Understanding relating to one of Merrill Lynch's loan counterparties. Under this agreement, the existing loan would be exchanged for a perpetual convertible security of France Telecom S.A. The due date of this loan has been extended to November 15, 2002. Merrill Lynch's funded portion of this credit facility was approximately $450 million at September 27, 2002. Certain conditions must be met before this agreement is finalized; failure to complete this agreement could result in a substantial impairment of this loan.

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

(dollars in millions)	Sept. 27, 2002	Dec. 28, 2001
Additional commitments to invest in partnerships(1)	$ 506	$ 822
Unutilized revolving lines of credit and other lending commitments	1,872	1,646

(1) Includes $123 million and $369 million at September 27, 2002 and December 28, 2001, respectively, related to deferred compensation plans.

NEW ACCOUNTING PRONOUNCEMENTS

Subsequent to September 27, 2002, the FASB issued SFAS No.147, "Acquisitions of Certain Financial Institutions - an Amendment of FASB Statements No. 72 and 144 and FASB Interpretation No. 9." The Statement provides guidance on the accounting for the acquisition of a financial institution, which had previously been addressed in SFAS No. 72, "Accounting for Certain Acquisitions of Banking or Thrift Institutions," and requires that those transactions be accounted for in accordance with SFAS No. 141, "Business Combinations", and SFAS No. 142, "Goodwill and Other Intangible Assets." In addition, this Statement amends SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," to include long-term customer-relationship intangible assets such as depositor and credit cardholder intangible assets and would require these assets to be subject to an undiscounted cash flow recoverability impairment test that SFAS No. 144 requires for other long-lived assets that are held and used. The provisions of SFAS No. 147 are effective October 1, 2002. There was no impact to Merrill Lynch upon adoption of this Statement.

In August 2002, the FASB approved Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, An Interpretation of FASB Statements No. 5, 57 and 107. The Interpretation will require that guarantors recognize a liability for the fair value of the obligations it has undertaken in issuing a guarantee. In addition, the Interpretation will require entities to disclose the nature of the guarantee, the maximum potential amount of future payments the guarantor could be required to make, the current carrying amount of the guarantee, the nature of recourse that would enable the guarantor to recover from third parties the amounts paid under the guarantee, and the nature of any assets that the guarantor can obtain and liquidate to recover all or a portion of the amounts paid under the guarantee. The disclosures are required for guarantees including those accounted for as derivative contracts under SFAS 133. The recognition requirements are only required for guarantees that are not accounted for as derivatives under SFAS 133. This Interpretation has not been released in its final form; however, the recognition and measurement provisions are expected to be required for the first quarter of 2003, and the disclosure provisions are expected to be required for the fourth quarter of 2002. Merrill Lynch is currently assessing the impact of this interpretation on its financial statements but does not expect it to be material.

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 will replace the existing 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)". SFAS No. 146 is to be applied prospectively to exit or disposal activities initiated after December 31, 2002.

In August 2001, the FASB released SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of" and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business as previously defined in that opinion. SFAS No. 144 provides guidance on the financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 also amends Accounting Research Bulletin No. 51, "Consolidated Financial Statements" to eliminate the exception to consolidation for a subsidiary for which control is likely to be temporary. Merrill Lynch adopted the provisions of SFAS No. 144 in the first quarter of 2002. The impact upon adoption was not material.

In July 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets." Under SFAS No. 142, intangible assets with indefinite lives and goodwill will no longer be amortized. Instead, these assets will be tested annually for impairment. Merrill Lynch adopted the provisions of SFAS No. 142 at the beginning of fiscal year 2002. Prior year amortization expense related to goodwill totaled $53 million and $156 million for the three-month and nine-month periods ended September 28, 2001.

During the second quarter of 2002, Merrill Lynch completed its review of goodwill in accordance with SFAS No. 142 and determined that the fair value of the reporting units to which goodwill relates exceeds the carrying value of such reporting units. Accordingly, no goodwill impairment loss was recognized. The $3.9 billion of goodwill related to the 1997 purchase of the Mercury Asset Management Group was tested at the MLIM segment level since this business has been fully integrated into MLIM.

<TABLE>
<CAPTION>

STATISTICAL DATA

<S>	3rd Qtr. 2001 <C>	4th Qtr. 2001 <C>	1st Qtr. 2002 <C>	2nd Qtr. 2002 <C>	3rd Qtr. 2002 <C>
CLIENT ASSETS (dollars in billions):					
Private Client					
U.S.	$ 1,171	$ 1,185	$ 1,179	$ 1,101	$

					1,019
Non-U.S.	127	101	96	94	87
Total Private Client Assets	1,298	1,286	1,275	1,195	1,106
MLIM direct sales (1)	170	172	167	158	145
Total Client Assets	$ 1,468	$ 1,458	$ 1,442	$ 1,353	$ 1,251
ASSETS IN ASSET-PRICED ACCOUNTS	$ 183	$ 199	$ 206	$ 192	$ 176
ASSETS UNDER MANAGEMENT:					
Retail	$ 214	$ 220	$ 215	$ 203	$ 182
Institutional	252	266	262	257	234
Private Investors(2)	41	43	41	39	36
Equity	253	263	257	234	190
Fixed-income	119	119	119	121	119
Money market	135	147	142	144	143
U.S.	310	327	323	319	305
Non-U.S.	197	202	195	180	147
UNDERWRITING:					
Global Equity and Equity-Linked:					
Volume (dollars in billions)	$ 15	$ 15	$ 15	$ 10	$ 3
Market share	21.5 %	12.2 %	14.9 %	9.5 %	6.9 %
Global debt:					
Volume (dollars in billions)	$ 81	$ 68	$ 91	$ 83	$ 54
Market share	9.9 %	7.2 %	8.5 %	8.7 %	7.4 %
FULL-TIME EMPLOYEES:					
U.S.	47,300	43,500	43,200	42,500	41,900
Non-U.S.	18,600	13,900	13,200	12,100	11,500
Total	65,900	57,400	56,400	54,600	53,400
PRIVATE CLIENT FINANCIAL ADVISORS	18,000	16,400	15,900	15,100	14,600
BALANCE SHEET (dollars in millions, except per share amounts)					
Total assets	$448,606	$419,419	$429,167	$439,426	$439,764
Total stockholders' equity	$ 21,090	$ 20,008	$ 20,906	$ 21,592	$ 22,299
Book value per common share	$ 24.38	$ 23.03	$ 23.73	$ 24.46	$ 25.17
SHARE INFORMATION (in thousands)					
Weighted-average shares outstanding:					
Basic	845,841	845,664	854,815	861,742	864,629
Diluted	934,469	845,664	949,237	942,560	934,477

Common shares outstanding	847,538	850,222	862,946	865,398	869,019

(1) Reflects funds managed by MLIM not sold through Private Client channels.
(2) 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

ML & Co.'s Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of a date within 90 days of the filing of this Form 10-Q, that its disclosure controls and procedures (as defined in Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934) are effective. There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

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 28, 2001 and Quarterly Reports on Form 10-Q for the quarters ended March 29, 2002 and June 28, 2002. We also refer the reader to ML & Co.'s Current Reports on Form 8-K dated April 11, 2002, April 18, 2002, and May 21, 2002, relating to the New York State Attorney General's inquiry pertaining to Merrill Lynch.

Research-Related Class Actions.

Since April 2002, approximately 150 class actions have been filed against various Merrill Lynch-related entities challenging the independence and objectivity of Merrill Lynch's research recommendations and related disclosures. Many of these class actions make virtually identical allegations, and we expect that they will eventually be consolidated into a much smaller number of actions. Merrill Lynch is vigorously defending these actions.

Enron-Related Investigations/Litigation.

Merrill Lynch's status with regard to the Department of Justice investigation remains unchanged from that reported in its Form 10-Q for the quarter ended June 28, 2002. Members of the Securities and Exchange Commission staff, however, have continued to express concerns about Merrill Lynch's role in certain Enron-related matters despite Merrill Lynch's response to those concerns. Merrill Lynch is awaiting a decision on its motions to dismiss the Enron-related shareholder and employee class actions reported in ML & Co.'s Form 10-Q for the quarter ended March 29, 2002, which have been fully briefed.

IPO Allocation Class Actions.

Merrill Lynch is awaiting a decision on the joint motion to dismiss filed on July 1, 2002, which has been fully briefed and argued.

Allegheny Energy, Inc.

On September 24, 2002, Merrill Lynch filed an action in federal court in the Southern District of New York against Allegheny Energy, Inc. ("Allegheny"). The complaint alleges that Allegheny owes Merrill Lynch the final $125 million payment in connection with Allegheny's purchase of Merrill Lynch's energy trading business and assets in 2001. The following day, Allegheny filed an action against Merrill Lynch in the Supreme Court of the State of New York. Based on alleged misrepresentations by Merrill Lynch, the complaint seeks rescission of Allegheny's purchase of the energy business and assets from

Merrill Lynch, damages alleged to be in excess of $605 million, and other relief. Merrill Lynch believes that Allegheny's claims are without merit.

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.:

Spear v. Conway, et al., a derivative action instituted on or about August 1, 2002, in the Supreme Court of the State of New York, County of Kings, 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 business activities were carried out in a lawful manner. The complaint alleges the breach in connection with Merrill Lynch's research practices, as well as in connection with its Enron-related business activities. Damages in an unspecified amount are sought. Merrill Lynch intends to move to dismiss the action.

In the normal course of business, 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. Moreover, the general decline of securities prices that began in 2000 has resulted in increased legal actions against many firms, including Merrill Lynch. 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, from time to time, in investigations and 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. Some of these legal actions, investigations and proceedings may result in adverse judgments, penalties or fines. 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 cannot predict what the eventual loss or range of loss related to such matters will be. Merrill Lynch believes, based on information available to us as of the date of this report, that the resolution of the actions will not have a material adverse effect on the financial position of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results for any particular period.

ITEM 5. OTHER INFORMATION

The 2003 Annual Meeting of Stockholders will be held at 10:00 a.m. on Monday, April 28, 2003 at the Merrill Lynch Conference and Training Center, 800 Scudders Mill Road, Plainsboro, New Jersey. Any stockholder of record entitled to vote generally for the election of directors may nominate one or more persons for election at the Annual Meeting only if proper written notice, as set forth in ML & Co.'s Certificate of Incorporation, has been given to the Secretary of ML & Co., 222 Broadway, 17th Floor, New York, New York 10038, no earlier than February 12, 2003 and no later than March 10, 2003. In addition, any stockholder intending to bring any other business before the meeting must provide proper written notice, as set forth in ML & Co.'s By-Laws, to the Secretary of ML & Co. on or before March 10, 2003. In order to be included in ML & Co.'s proxy statement, stockholder proposals must be received by ML & Co. no later than November 15, 2002.

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	Merrill Lynch & Co., Inc. 2003 Deferred Compensation Plan for a Select Group of Eligible Employees
12	Statement re: computation of ratios
15	Letter re: unaudited interim financial information

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

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

(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 July 9, 2002 for the purpose of furnishing notice of a webcast of a conference call scheduled for July 16, 2002 to review ML & Co.'s operating results.

(ii) Current Report dated July 16, 2002 for the purpose of filing ML & Co.'s Preliminary Unaudited Earnings Summary for the three- and six-month periods ended June 28, 2002.

(iii) Current Report dated July 22, 2002 for the purpose of announcing the election of Stan O'Neal as Chief Executive Officer effective December 2, 2002 and Chairman of the Board effective April 28, 2003.

(iv) Current Report dated July 31, 2002 for the purpose of filing ML & Co.'s Preliminary Unaudited Consolidated Balance Sheet as of June 28, 2002.

(v) Current Report dated August 7, 2002 for the purpose of filing the form of ML & Co.'s Market Index Target-Term Securities based upon the Dow Jones Industrial Average due August 7, 2009.

(vi) Current Report dated August 9, 2002 for the purpose of furnishing statements under oath of the Chief Executive Officer and Chief Financial Officer regarding facts and circumstances relating to Exchange Act filings.

(vii) Current Report dated August 15, 2002 for the purpose of reporting that Standard & Poor's Ratings Services placed its long- and short-term counter-party credit ratings on ML & Co. on CreditWatch with negative implications.

(viii) Current Report dated August 23, 2002 for the purpose of filing the form of ML & Co.'s 7% Callable Stock Return Income Debt Securities due August 23, 2004, payable at maturity with Starbucks Corporation common stock.

(ix) Current Report dated August 28, 2002 for the purpose of furnishing notice of a webcast of a presentation by ML & Co.'s president and chief operating officer scheduled for September 4, 2002.

(x) Current Report dated August 30, 2002 for the purpose of filing the form of ML & Co.'s Strategic Return Notes linked to the Industrial 15 Index due August 30, 2007.

(xi) Current Report dated August 30, 2002 for the purpose of filing the form of ML & Co.'s 7% Callable Stock Return Income Debt Securities due September 1, 2004, payable at maturity with Citigroup Inc. common stock.

(xii) Current Report dated September 4, 2002 for the purpose of filing the form of ML & Co.'s S&P 500 Market Index Target-Term Securities due September 4, 2009.

(xiii) Current Report dated September 13, 2002 for the purpose of filing the form of ML & Co.'s Market Index Target-Term Securities linked to the USD/EUR exchange rate due September 13, 2005.

SIGNATURE

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, hereunto duly authorized.

MERRILL LYNCH & CO., INC.
(Registrant)

By: /s/ Thomas H. Patrick

Thomas H. Patrick
Executive Vice President and
Chief Financial Officer
Principal Financial Officer

By: /s/ John J. Fosina

John J. Fosina
Controller
Principal Accounting Officer

Date: November 8, 2002

Certification

I, David H. Komansky, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ David H. Komansky

David H. Komansky
Chairman of the Board and
Chief Executive Officer

Dated: November 8, 2002

Certification

I, Thomas H. Patrick, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Thomas H. Patrick

Thomas H. Patrick
Executive Vice President and
Chief Financial Officer

Dated: November 8, 2002

INDEX TO EXHIBITS

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EXHIBIT 10

MERRILL LYNCH & CO., INC.

2003 DEFERRED COMPENSATION PLAN

FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

DATED AS OF SEPTEMBER 9, 2002

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

MERRILL LYNCH & CO., INC.
2003 DEFERRED COMPENSATION PLAN
FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

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MERRILL LYNCH & CO., INC.
2003 DEFERRED COMPENSATION PLAN
FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

ARTICLE I

GENERAL

1.1 PURPOSE AND INTENT.

The purpose of the Plan is to encourage the employees who are integral to the success of the business of the Company to continue their employment by providing them with flexibility in meeting their future income needs. This Plan is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of ERISA, and all decisions concerning who is to be considered a member of that select group and how this Plan shall be administered and interpreted shall be consistent with this intention.

1.2 DEFINITIONS.

For the purpose of the Plan, the following terms shall have the meanings indicated.

"Account" means the notional account established on the books and records of ML & Co. for each Participant to record the Participant's interest under the Plan.

"Account Balance" means, as of any date, the Deferred Amounts credited to a Participant's Account, adjusted in accordance with Section 3.4 to reflect the performance of the Participant's Selected Benchmark Return Options, the Annual Charge, the Debit Balance, (if any) any adjustments in the event of a Capital Call Default, and any payments made from the Account under Article V to the Participant prior to that date.

"Adjusted Compensation" means the financial advisor incentive compensation, account executive incentive compensation or estate planning and business insurance specialist incentive compensation, in each case exclusive of base salary, earned by a Participant during the Fiscal Year ending in 2003, and payable after January 1, 2003, as a result of the Participant's production credit level, or such other similar items of compensation as the Administrator shall designate as "Adjusted Compensation" for purposes of this Plan.

"Administrator" means the Head of Human Resources of ML & Co., or his or her functional successor, or any other person or committee designated as Administrator of the Plan by the Administrator or the MDCC.

"Affiliate" means any corporation, partnership, or other organization of which ML & Co. owns or controls, directly or indirectly, not less than 50% of the total combined voting power of all classes of stock or other equity interests.

"Annual Charge" means the charge to a Participant's Account provided for in Section 3.4(g).

"Applicable Federal Rate" means the applicable federal rate for short-term (0-3 years) obligations of the United States Treasury as determined initially in the month of closing of ML Ventures and thereafter in January of each subsequent year.

"Available Balance" means amounts in a Participant's Account that are indexed to Benchmark Return Options with daily liquidity after the Account's Debit Balance has been reduced to zero.

"Average Leveraged Principal Amount" means, for each Participant, for any period, the sum of the Leveraged Principal Amounts outstanding at the end of each day in the period divided by the number of days in such period.

"Benchmark Return Options" means such investment vehicles as the Administrator may from time to time designate for the purpose of indexing Accounts hereunder. In the event a Benchmark Return Option ceases to exist or is no longer to be a Benchmark Return Option, the Administrator may designate a substitute Benchmark Return Option for such discontinued option.

"Board of Directors" means the Board of Directors of ML & Co.

"Capital Call" means the periodic demands for funds from a Participant's Account that will be equal to and occur simultaneously with capital calls made by private equity funds (including ML Ventures) chosen as a return option by the Participant.

"Capital Call Default" means that there is an insufficient Liquid Balance in the Participant's Account to fund a Capital Call.

"Capital Demand Default Adjustment" means the negative adjustment described in Section 3.4 in the number of "units" (including units acquired by "Leverage") attributed to a Private Equity Fund Return Options that will be the result of a Capital Call Default.

"Cash Compensation" means (1) (for VICP eligible employees) salary in the reference year plus VICP earned in the reference year and paid in January or February of the next calendar year or (2) (for Financial Advisors and other employees receiving Adjusted Compensation) base salary plus Adjusted Compensation paid in the reference year.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Company" means ML & Co. and all of its Affiliates.

"Compensation" means, as relevant, a Participant's Adjusted Compensation, Variable Incentive Compensation and/or Sign-On Bonus, or such other items or items of compensation as the Administrator, in his or her sole discretion, may specify in a particular instance.

"Debit Balance" means, as of any date, the dollar amount, if any, representing each of: (1) the aggregate Annual Charge, accrued in accordance with Section 3.4(g)(i); and (2) any Leveraged Principal Amount (together with any pro rata Interest Amounts determined in accordance with Section 3.4(g)(ii), if applicable), as reduced by any distributions recorded from ML Ventures Units recorded in a Participant's Account in accordance with Section 3.4(e).

"Deferral Percentage" means the percentage (which, unless the Administrator, in his or her sole discretion, determines otherwise, shall be in whole percentage increments and not more than 90%) specified by the Participant to be the percentage of each payment of Compensation he or she wishes to defer under the Plan.

"Deferred Amounts" means, except as provided in Section 5.6, the amounts of Compensation actually deferred by the Participant under this Plan.

"Election Year" means the 2002 calendar year.

"Eligible Compensation" means (1) for persons eligible for the Variable Incentive Compensation Program or other similar programs: (A) a Participant's 2001 base earnings plus (B) any cash bonus awarded in early 2002, and (2) for persons ineligible for such bonus programs, a Participant's 2001 Adjusted Compensation.

"Eligible Employee" means an employee eligible to defer amounts under this Plan, as determined under Section 2.1 hereof.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

"Fiscal Month" means the monthly period used by ML & Co. for financial accounting purposes.

"Fiscal Year" means the annual period used by ML & Co. for financial accounting purposes.

"Full-Time Domestic Employee" means a full-time employee of the Company paid from the Company's domestic based payroll (other than any U.S. citizen or "green card" holder who is employed outside the United States).

"Full-Time Expatriate Employee" means a U.S. citizen or "green card" holder employed by the Company outside the United States and selected by the Administrator as eligible to participate in the Plan (subject to the other eligibility criteria).

"Initial Leveraged Amount" means the initial dollar amount by which a Participant's deferral into ML Ventures Units is leveraged as determined in accordance with Section 3.4(c).

"Interest" means the hypothetical interest accruing on a Participant's Average Leveraged Principal Amount at the Applicable Federal Rate.

"Interest Amounts" means, for any Participant, as of any date, the amount of Interest that has accrued to such date on such Participant's Average Leveraged Principal Amount, from the date on which a Participant's Leveraged Principal Amount is established, or from the most recent date that Interest Amounts were added to the Leveraged Principal Amount.

"Leveraged or Unleveraged Distributions" means the distributions to a Participant's Account attributable to the leveraged or unleveraged portion (as the case may be) of a Participant's ML Ventures Units.

"Leverage-Eligible Participants" means persons who (1) are accredited investors within the meaning of the Securities Act of 1933, and (2) received Cash Compensation of at least $300,000 in 2001, and (3) received Cash Compensation of at least $200,000 in 2000 and otherwise qualify, in accordance with standards determined by the Administrator, to select a ML Ventures Return Option on a leverage basis.

"Leveraged Principal Amount" means a Participant's Initial Leveraged Amount, if any, as adjusted to reflect the addition of Interest Amounts (or any pro rata Interest Amounts).

"Leverage Percentage" means the percentage of leverage chosen by a Leverage-Eligible Participant, which percentage shall not exceed 200%.

"Liquid Balance" means, as of any date, the Deferred Amounts credited to a Participant's Account, not including amounts that represent future commitments to Private Equity Funds, including ML Ventures, adjusted (either up or down) to reflect: (1) the performance of the Participant's Mutual Fund Return Balances as provided in Section 3.4(f); (2) distributions with respect to ML Ventures Units made in accordance with Section 3.4(d); (3) reduction of any Debit Balance as provided in Section 3.4(e); and (4) any payments to the Participant under Article V hereof.

"Maximum Deferral" means the whole dollar amount specified by the Participant to be the amount of Compensation he or she elects to be deferred under the Plan.

"MDCC" means the Management Development and Compensation Committee of the Board of Directors.

"ML & Co." means Merrill Lynch & Co., Inc.

"ML Ventures Return Option" means the option of indexing returns hereunder to the performance of a ML Ventures limited partnership, on a leveraged or unleveraged basis.

"ML Ventures Units" means the record-keeping units credited to the Accounts of Participants who have chosen the ML Ventures Return Option.

"Mutual Fund Return Options" means the mutual funds chosen as Benchmark Return Options by the Administrator.

"Net Asset Value" means, with respect to each Benchmark Return Option that is a mutual fund or other commingled investment vehicle for which such values are determined in the normal course of business, the net asset value, on the date in question, of the vehicle for which such value is being determined.

"Participant" means an Eligible Employee who has elected to defer Compensation under the Plan.

"Plan" means this Merrill Lynch & Co., Inc. 2003 Deferred Compensation Plan for a Select Group of Eligible Employees.

"Plan Year" means the Fiscal Year ending in 2003.

"Private Fund Return Option(s)" means one or more private funds that are chosen by the Administrator to be offered - with such limitations as may be required - to eligible Participants as Benchmark Return Options.

"Private Fund Unit(s)" means the record-keeping units credited to the Accounts of Participants who have chosen one or more Private Fund Return Options.

"Retirement" means a Participant's (i) termination of employment with the Company for reasons other than for cause on or after the Participant's 65th birthday, or (ii) resignation on or after the Participant's 55th birthday if the Participant has at least 10 years of service, or (iii) resignation at any age with the express approval of the Administrator, which will be granted only if the termination is found by the Administrator to be in, or not contrary to, the best interests of the Company.

"Rule of 45" means a Participant's termination of employment with the Company for reasons other than cause (1) on or after (A) having completed at least five (5) years of service and (B) reaching any age, that, when added to service with the Company (in each case, expressed as completed years and completed months), equals at least 45; or (2) as the result of (A) becoming employed by an unconsolidated affiliate of the Company (as specified by the Head of Human Resources) or (B) being a part of a divestiture or spin-off designated by the Head of Human Resources as eligible, provided that, a Participant shall not qualify for the Rule of 45 if he or she engages in a business which the Administrator, in his or her sole discretion, determines to be in competition with the business of the Company.

"Remaining Deferred Amounts" means the product of a Participant's Deferred Amounts times a fraction equal to the number of remaining installment payments divided by the total number of installment payments.

"Selected Benchmark Return Option" means a Benchmark Return Option selected by the Participant in accordance with Section 3.4.

"Sign-On Bonus" means a single-sum amount paid or payable to a new Eligible Employee during the Plan Year upon commencement of employment, in addition to base pay and other Compensation, to induce him or her to become an employee of the Company, or any similar item of compensation as the Administrator shall designate as "Sign-On Bonus" for purposes of this Plan.

"Undistributed Deferred Amounts" means, as of any date on which the Annual Charge is determined, a Participant's Deferred Amounts (exclusive of any appreciation or depreciation) minus, for each distribution to a Participant prior to such date, an amount equal to the product of the Deferred Amounts and a fraction the numerator of which is the amount of such distribution and the denominator of which is the combined Net Asset Value (prior to distribution) of the Participant's Account as of the date of the relevant distribution.

"Variable Incentive Compensation" means the variable incentive compensation or office manager incentive compensation that is paid in cash to certain employees of the Company generally in January or February of the Plan Year with respect to the prior Fiscal Year, which for purposes of this Plan is considered earned during the Plan Year regardless of when it is actually paid to the Participant, or such other similar items of compensation as the Administrator shall designate as "Variable Incentive Compensation" for purposes of this Plan.

"401(k) Plan" means the Merrill Lynch & Co., Inc. 401(k) Savings &

Investment Plan.

ARTICLE II

ELIGIBILITY

2.1 ELIGIBLE EMPLOYEES.

(a) GENERAL RULE. An individual is an Eligible Employee if he or she (i) is a Full-Time Domestic Employee or a Full-Time Expatriate Employee, (ii) has at least $300,000 of Eligible Compensation for the year prior to the Election Year, and (iii) has attained the title of Vice President or higher.

(b) INDIVIDUALS FIRST EMPLOYED DURING ELECTION YEAR OR PLAN YEAR. Subject to the approval of the Administrator in his or her sole discretion, an individual who is first employed by the Company during the Election Year or the Plan Year is an Eligible Employee if his or her Eligible Compensation, together, if applicable, with the amount of any Variable Incentive Compensation that will be payable to such individual in the next annual bonus cycle pursuant to a written bonus guarantee, is greater than $300,000, and he or she is employed as or is to be nominated for the title of Vice President or higher at the first opportunity following his or her commencement of employment with the Company.

(c) DISQUALIFYING FACTORS. An individual shall not be an Eligible Employee if either (i) as of the deadline for submission of elections specified in Section 3.1(a), the individual's wages have been attached or are being garnished or are otherwise restrained pursuant to legal process, or (ii) within 13 months prior to the deadline for submission of elections specified in Section 3.1(a), the individual has made a hardship withdrawal of Elective 401(k) Deferrals as defined under the 401(k) Plan.

ARTICLE III

DEFERRAL ELECTIONS; ACCOUNTS

3.1 DEFERRAL ELECTIONS.

(a) TIMING AND MANNER OF MAKING OF ELECTIONS. An election to defer Compensation for payment in accordance with Article V shall be made by submitting to the Administrator such forms as the Administrator may prescribe in whatever manner that the Administrator directs. Each election submitted must specify a Maximum Deferral and a Deferral Percentage with respect to each category of Compensation to be deferred. All elections by a Participant to defer Compensation under the Plan must be received by the Administrator or such person as he or she may designate for the purpose by no later than September 30 of the Election Year (or such later date as the Administrator, in his or her sole discretion, may specify in any particular instance) or, in the event such date is not a business day, the immediately preceding business day; provided, however, that the Eligible Employee's election to defer a Sign-On Bonus must be part of such Eligible Employee's terms and conditions of employment agreed to prior to the Eligible Employee's first day of employment with the Company.

(b) IRREVOCABILITY OF DEFERRAL ELECTION. Except as provided in Sections 3.5 and 5.5, an election to defer the receipt of any Compensation made under Section 3.1(a) is irrevocable once submitted to the Administrator or his or her designee. The Administrator's acceptance of an election to defer Compensation shall not, however, affect the contingent nature of such Compensation under the plan or program under which such Compensation is payable.

(c) APPLICATION OF ELECTION. The Participant's Deferral Percentage will be applied to each payment of Compensation to which the Participant's deferral election applies, provided that the aggregate of the Participant's Deferred Amounts shall not exceed the Participant's Maximum Deferral. If a Participant has made deferral elections with respect to more than one category of Compensation, this Section 3.1(c) shall be applied separately with respect to each such category.

3.2 CREDITING TO ACCOUNTS.

(a) INITIAL DEFERRALS. A Participant's Deferred Amounts will be credited to the Participant's Account as soon as practicable (but in no event later than the end of the following month) after the last day of the Fiscal Month during which such Deferred Amounts would, but for deferral, have been paid and will be accounted for in accordance with Section 3.4. No interest will accrue, nor will any adjustment be made to an Account, for the period until the Deferred Amounts are credited.

(b) PRIVATE FUND RETURN OPTIONS. Upon the closing of any Private Return Option, a Participant's Account will be credited with a number of units determined by dividing by $1,000 the sum of the following: (1) the portion of the Account Balance that the Participant has elected to allocate to the Private Return Option, as of the day prior to the closing date; and (in the case of ML Ventures only) (2) the Participant's Initial Leveraged Amount (computed in accordance with Section 3.4(c)).

3.3 MINIMUM REQUIREMENTS FOR DEFERRAL.

(a) MINIMUM REQUIREMENTS. Notwithstanding any other provision of this Plan, no deferral will be effected under this Plan with respect to a Participant if:

(i) the Participant is not an Eligible Employee as of December 31, 2002,

(ii) the Participant's election as applied to the Participant's Variable Incentive Compensation (determined by substituting the Election Year for the Plan Year) or Adjusted Compensation (determined by substituting the Fiscal Year immediately prior to the Fiscal Year ending in the Election Year for the Fiscal Year ending in the Plan Year) would have resulted in an annual deferral of less than $15,000, or

(iii) the greater of (A) the sum of (1) the "Medicare wages" amount listed on the Participant's W-2 form for the Plan Year, and (2) any Compensation that is accelerated which the Participant may receive in December of the Election Year which would have been payable in the Plan Year in the absence of the action of the Company to accelerate the payment, or (B) the Participant's Eligible Compensation for the Plan Year, is less than $250,000;

provided, that any Participant who first becomes an employee of the Company during the Plan Year shall not be required to satisfy conditions (i) and (ii). Condition (ii) does not require a Participant's elections to result in an actual deferral of at least $15,000.

(b) FAILURE TO MEET REQUIREMENTS. If the requirements of Section 3.3(a)(i) or (ii) are not met by a Participant to whom such requirements are applicable, such Participant's Deferred Amounts, if any, will be paid to such Participant, without adjustment to reflect the performance of any Selected Benchmark Return Option, as soon as practicable after it has been determined that the requirements have not been met. If the requirements of Section 3.3(a)(iii) are not met by a Participant, the greater of such Participant's Deferred Amounts or Account Balance will be paid to such Participant as soon as practicable after it has been determined that the requirements have not been met.

3.4 RETURN OPTIONS; ADJUSTMENT OF ACCOUNTS.

(a) SELECTION OF PRIVATE FUND RETURN OPTIONS. In any year that a Private Fund partnership is offered as a return option, eligible Participants may select the Private Fund Return Option, provided that the selection that Merrill Lynch will have the discretion to alter the Participant's payout elections if this option is chosen. PARTICIPANTS SHOULD BE AWARE THAT ONCE THE CLOSING OF THE RELEVANT FUND HAS OCCURRED, PARTICIPANTS WILL NOT BE ABLE TO CHANGE THEIR ELECTIONS. PARTICIPANTS SHOULD ALSO BE AWARE THAT IN THE EVENT OF A CAPITAL CALL DEFAULT, FOR CERTAIN PRIVATE EQUITY FUNDS, THEY MAY BE PENALIZED BY HAVING THEIR ACCOUNTS ADJUSTED DOWNWARD IN ACCORDANCE WITH SECTION 3.4 (d).

(b) SELECTION OF MUTUAL FUND RETURN OPTIONS. Coincident with the Participant's election to defer Compensation, the Participant must select the percentage of the Participant's Account to be adjusted to reflect the performance of Mutual Fund Return Options, for use when a Participant's Account has a Liquid Balance. All elections shall be in multiples of 1%. A Participant may, by complying with such procedures as the Administrator may prescribe on a uniform and nondiscriminatory basis, including procedures specifying the frequency with respect to which such changes may be effected (but not more than 12 times in any calendar year), change the Selected Benchmark Return Options to be applicable with respect to his or her Account.

(c) SELECTION OF THE ML VENTURES LEVERAGE PERCENTAGE BY ELIGIBLE PARTICIPANTS. Prior to the closing of the offering of an ML Ventures partnership, Leverage-Eligible Participants who select the ML Ventures Return Option on a leveraged basis must choose their Leverage Percentage, in accordance with standards determined by the Administrator, by submitting such forms as the Administrator shall prescribe. Prior to the closing of an ML Ventures partnership, the Administrator will determine each Leverage-Eligible Participant's Initial Leveraged Amount by applying such Participant's Leverage Percentage to the dollar value of the portion of the Participant's Account Balance allocated to the ML Ventures Return Option. The Initial Leveraged Amount will be recorded as the Leveraged Principal Amount, to which amount Interest Amounts will be added annually in accordance with Section 3.4(e).

(d) ADJUSTMENTS OF ML VENTURES AND OTHER PRIVATE FUND RETURN OPTIONS.

(i) Whenever a distribution is paid on an actual unit of an ML Ventures partnership or other Private Fund Return Option, an amount equal to such per unit distribution times the number of units in the Participant's Account will first be applied against any Debit Balance, as provided in Section 3.4(e), and then, if any portion of such distribution remains after the Debit Balance is reduced to zero, be credited to the Participant's Account to be indexed initially to ML Retirement Reserves and then to the Mutual Fund Return Option(s) chosen by the Participant.

(ii) In the event of a Capital Call Default, a Participant's notional investment in the relevant fund will be capped. If this occurs, the number of units represented by the return option (including, in the case of ML Ventures, any leveraged units) will be adjusted downward to reflect a smaller investment and resulting lower leverage.

(iii) The ML Ventures Units and the Debit Balance will also be adjusted in accordance with Section 5.2 hereof in the event of a Participant's termination.

(e) ADJUSTMENT OF DEBIT BALANCE. Any Debit Balance shall be reduced as soon as possible by any distributions relating to ML Ventures Units. Reductions of the Debit Balance, as provided in the foregoing sentence, shall be applied first to reduce the Debit Balance attributable to accrued Annual Charges and then, after all such accrued Annual Charges have been satisfied, to reduce any Leveraged Principal Amount. As of the last day of each Fiscal Year, Interest Amounts computed by the Administrator shall be added to the Leveraged Principal Amount. If on any date the Leveraged Principal Amount would be discharged completely as a result of distributions or chargeoffs, Interest Amounts will be computed though such date and added to the Leveraged Principal Amount as of such date.

(f) ADJUSTMENT OF MUTUAL FUND RETURN BALANCES. While the Participant's Balances do not represent the Participant's ownership of, or any ownership interest in, any particular assets, the Balances attributable to Mutual Fund Return Options shall be adjusted to reflect credits or debits relating to distributions from any Private Fund Return Options or chargeoffs against the Debit Balance and to reflect the investment experience of the Participant's Mutual Fund Return Options in the same manner as if investments or dispositions in accordance with the Participant's elections had actually been made through the ML Benefit Services Platform and ML II Core Recordkeeping System, or any successor system used for keeping records of Participants' Accounts (the "ML II System"). In adjusting Accounts, the Participant will give instructions to the ML Benefit Services Platform which will be reflected as credits or debits as of the weekly processing of such instructions through the ML II System. This processing shall control the timing and pricing of the notional investments in the Participant's Mutual Fund Return Options in accordance with the rules of operation of the ML II System and its requirements for placing corresponding investment orders, as if orders to make corresponding investments or dispositions were actually to be made on the transaction processing date. In connection with the crediting of Deferred Amounts or distributions to the Participant's Account and distributions from or debits to the Account, appropriate deferral allocation instructions shall be treated as received from the Participant prior to the close of transactions through the ML II System on the relevant transaction processing date. Each Mutual Fund Return Option shall be valued using the Net Asset Value of the Mutual Fund Return Option as of the relevant transaction processing date; provided, that, in valuing a Mutual Fund Return Option for which a Net Asset Value is not computed, the value of the security involved for determining Participants' rights under the Plan shall be the price reported for actual transactions in that security through the ML II System on the relevant transaction processing date, without giving effect to any transaction charges or costs associated with such transactions; provided, further, that, if there are no such transactions effected through the ML II System on the relevant day, the value of the security shall be:

(i) if the security is listed for trading on one or more national securities exchanges, the average of the high and low sale prices for that day on the principal exchange for such security, or if such security is not traded on such principal exchange on that day, the average of the high and low sales prices on such exchange on the first day prior thereto on which such security was so traded;

(ii) if the security is not listed for trading on a national securities exchange but is traded in the over-the-counter market, the average of the highest and lowest bid prices for such security on the relevant day; or

(iii) if neither clause (i) nor (ii) applies, the value determined by the Administrator by whatever means he considers appropriate in his or her sole discretion.

All debits and charges against the Account shall be applied as a pro rata reduction of the portion of the Account Balance indexed to each of the Participant's Mutual Fund Return Options.

(g) ANNUAL CHARGE. As of the last day of each Fiscal Year or such earlier day in December as the Administrator shall determine, an Annual Charge of 2.0% of the Participant's Deferred Amounts (exclusive of any appreciation or depreciation determined under Section 3.4 (f)) shall be applied to reduce the Account Balance.

(i) In the event that all or any portion of the Account Balance is indexed to a Benchmark Return Option with less than daily liquidity, the Annual Charge will accrue as a Debit Balance and be paid out of future amounts credited to the Account Balance.

(ii) In the event that the Participant elects to have the Account Balance paid in installments, the Annual Charge will be charged on the Remaining Deferred Amounts after giving effect to the installment payments.

(iii) In the event that the Account Balance is paid out completely during a Fiscal Year prior to the date upon which the Annual Charge is assessed, a pro rata Annual Charge will be deducted from amounts to be paid to the Participant to cover that fraction of the Fiscal Year that Deferred Amounts (or Remaining Deferred Amounts in the case of installment payments) were maintained hereunder. The Annual Charge shall be applied as a pro rata reduction of the portion of the Account Balance indexed to each of the Participant's Selected Benchmark Return Options. In applying the Annual Charge, the pricing principles set forth in Section 3.4(f) will be followed.

(h) ROLLOVER OPTION. In the discretion of the Administrator or a designee, additional Benchmark Return Options, including Return Options with less than daily liquidity, may be offered to all Participants under the Plan or to a more limited group of Participants. In such event, Participants will be allowed, in such manner as the Administrator shall determine, to elect that all or a portion of Account Balances be indexed to such Benchmark Return Options.

(i) With respect to Benchmark Return Options that do not provide daily liquidity: (A) payments under Article V will be made in accordance with a Participant's election at the time of the Participant's original deferral, with any adjustments required for the more limited liquidity of such Return Option; (B) Participants may be limited in their ability to elect, change or continue their Benchmark Return Options in accordance with such terms and conditions as the Administrator or a designee may determine; and (C) the Annual Charge shall be accrued and paid, when possible, upon liquidation of all or any portion of the Benchmark Return Option, provided that no payment shall be made to a Participant under Article V hereof until all accrued Annual Charges have been paid.

(ii) In the event that such limited liquidity options include future ML Ventures Partnerships, the designated amounts shall be credited to such Participant, accounted for, adjusted and paid out to such Participant in accordance with the terms and conditions of this Plan as they related to the ML Ventures Return Option.

3.5 RESCISSION OF DEFERRAL ELECTION.

(a) PRIOR TO DECEMBER 1, 2002. A deferral election hereunder may be rescinded at the request of a Participant only (i) on or before December 1, 2002, and (ii) if the Administrator, in his or her sole discretion and upon evidence of such basis that he or she finds persuasive (including a material applicable change in the Participant's U.S. Federal and/or foreign income tax rate during the period between October 31, 2002 and November 30, 2002), agrees to the rescission of the election. In the event that the Administrator agrees to the rescission, the Deferred Amounts, if any, credited to the Participant's Account will be paid to the Participant as soon as practicable thereafter, subject to reduction for any applicable withholding taxes.

(b) ADVERSE TAX DETERMINATION. Notwithstanding the provisions of Section 3.5(a), a deferral election may be rescinded at any time if (i) a final determination is made by a court or other governmental body of competent jurisdiction that the election was ineffective to defer income for purposes of

U.S. Federal, state, local or foreign income taxation and the time for appeal from this determination has expired, and (ii) the Administrator, in his or her sole discretion, decides, upon the Participant's request and upon evidence of the occurrence of the events described in (i) hereof that he or she finds persuasive, to rescind the election. Upon such rescission, the Account Balance, including any adjustment for performance of the Selected Benchmark Return Options, will be paid to the Participant as soon as practicable, and no additional amounts will be deferred pursuant to this Plan.

(c) RESCISSION FOR AMOUNTS NOT YET EARNED. Upon the Participant's written request, the Administrator may in his or her sole discretion terminate any deferral elections made hereunder with respect to Compensation not yet earned and no further amounts will be deferred. In addition, in the event a Participant receives a hardship withdrawal under the 401(k) Plan, the Administrator shall, as of the date the Participant's Elective 401(k) Deferrals (as defined in the 401(k) Plan) are suspended under the 401(k) Plan as a result of such hardship withdrawal, terminate the Participant's deferrals under this Plan in accordance with the preceding sentence, as if the Participant had requested rescission in writing. In each case, amounts previously deferred will continue to be governed by the terms of this Plan.

ARTICLE IV

STATUS OF DEFERRED AMOUNTS AND ACCOUNT

4.1 NO TRUST OR FUND CREATED; GENERAL CREDITOR STATUS.

Nothing contained herein and no action taken pursuant hereto will be construed to create a trust or separate fund of any kind or a fiduciary relationship between ML & Co. and any Participant, the Participant's beneficiary or estate, or any other person. Title to and beneficial ownership of any funds represented by the Account Balance will at all times remain in ML & Co.; such funds will continue for all purposes to be a part of the general funds of ML & Co. and may be used for any corporate purpose. No person will, by virtue of the provisions of this Plan, have any interest whatsoever in any specific assets of the Company. TO THE EXTENT THAT ANY PERSON ACQUIRES A RIGHT TO RECEIVE PAYMENTS FROM ML & CO. UNDER THIS PLAN, SUCH RIGHT WILL BE NO GREATER THAN THE RIGHT OF ANY UNSECURED GENERAL CREDITOR OF ML & CO.

4.2 NON-ASSIGNABILITY.

The Participant's right or the right of any other person to the Account Balance or any other benefits hereunder cannot be assigned, alienated, sold, garnished, transferred, pledged, or encumbered except by a written designation of beneficiary under this Plan, by written will, or by the laws of descent and distribution.

4.3 EFFECT OF DEFERRAL ON BENEFITS UNDER PENSION AND WELFARE BENEFIT PLANS.

The effect of deferral on pension and welfare benefit plans in which the Participant may participate will depend upon the provisions of each such plan, as amended from time to time.

ARTICLE V

PAYMENT OF ACCOUNT

5.1 MANNER OF PAYMENT.

(a) REGULAR PAYMENT ELECTIONS. A Participant's Account Balance will be paid by the Company, as elected by the Participant at the time of his or her deferral election, either in a single payment to be made, or in the number of annual installments (not to exceed 15) chosen by the Participant to commence, (i) in the month following the month of the Participant's Retirement or death, (ii) in any month and year selected by the Participant after the end of 2003, or (iii) in any month in the calendar year following the Participant's Retirement; provided that, if a Participant's election would result in payment (in the case of a single payment) or commencement of payment (in the case of installment payments) after the Participant's 70th birthday, then, notwithstanding the Participant's elections, the Company will pay, or commence payment of, the Participant's Account Balance in the month following the Participant's 70th birthday unless the Participant continues to be an active full time employee at such time, in which case the Company will pay, or commence payment of, the Participant's Account Balance in the month following the Participant's cessation of active service (to the extent payment has not already been made or commenced). The amount of each annual installment, if applicable, shall be determined by multiplying the Account Balance as of the last day of the month immediately preceding the month in which the payment is to be made by a fraction, the numerator of which is one and the denominator of which is the number of remaining installment payments (including the installment payment to be made). IN THE EVENT THAT IMMEDIATELY PRIOR TO THE LUMP SUM PAYMENT OR THE INITIAL INSTALLMENT PAYMENT, ALL OR ANY PORTION OF A PARTICIPANT'S ACCOUNT BALANCE REMAINS INDEXED TO A BENCHMARK RETURN OPTION WITH LESS THAN DAILY LIQUIDITY, SUCH PAYMENT SHALL BE ADJUSTED, IF NECESSARY, FOR THE LIQUIDITY RESTRAINTS OF THE BENCHMARK RETURN OPTION AND, IN THE CASE OF AN ELECTION OF 11 OR MORE INSTALLMENT PAYMENTS COMMENCING UPON RETIREMENT OR A DATE CERTAIN COINCIDENT WITH RETIREMENT, SHALL BE DELAYED UNTIL SUCH ACCOUNT BALANCE IS FULLY LIQUID.

(b) MODIFIED INSTALLMENT PAYMENTS. In lieu of one of the regular payment elections provided for in Section 5.1(a), a Participant may elect to receive the Account Balance in at least 11 but no more than 15 annual installment payments ("modified installment payments"), such modified installment payments to commence on the last business day in March in the year following the Participant's Retirement or death (the "Initial Payment Date"), PROVIDED THAT, IN THE EVENT THAT IMMEDIATELY PRIOR TO THE INITIAL PAYMENT OF SUCH INSTALLMENT PAYMENTS, ALL OR ANY PORTION OF A PARTICIPANT'S ACCOUNT BALANCE REMAINS INDEXED TO A BENCHMARK RETURN OPTION WITH LESS THAN DAILY LIQUIDITY, SUCH INITIAL PAYMENT SHALL BE DELAYED UNTIL SUCH ACCOUNT BALANCE IS FULLY LIQUID. The modified installment payments shall be computed in accordance with last sentence of Section 5.1(a) and will in all other respects be treated like regular installment payments under the Plan. By electing modified installment payments, the Participant agrees that at any time prior to the last day of February immediately preceding a Participant's Initial Payment Date (the "Determination Date"), ML & Co. shall have the right, without the consent of the Participant or any beneficiary, to change the Participant's method of payment to 11 annuitized payments ("annuitized payments"), in the event that, in the sole discretion of the Administrator, it is determined that such a change is necessary or appropriate in order to preserve the intended state tax benefits of the modified installment payments to the Participant or any beneficiary. In the event that the Administrator determines that annuitized payments shall be made, the amount of the annuitized payments will be determined by applying the Discount Rate, as defined below, to the Account Balance as of the Determination Date to create a stream of 11 equal annual payments. If annuitized payments are to be made, then the Account Balance shall cease to be adjusted pursuant to Section 3.4 as of the Determination Date (except that a pro rata Annual Charge will be deducted from the Account Balance prior to calculation of the annuitized payments to cover the fraction of the Fiscal Year preceding the Determination Date) and the Company's only obligation to the Participant shall be to make the annuitized payments when due. As used herein, Discount Rate shall mean ML & Co.'s then-applicable after-tax cost of borrowing and is defined as (A) x (B), where (A) is equal to 1 minus ML & Co.'s then-effective tax rate, expressed as a decimal, and (B) is equal to the sum of: (i) the annual yield on the then-current 5-year U.S. Treasury Note, and (ii) a spread (which will not be less than 0.10%) indicative of ML & Co.'s borrowing cost for transactions of similar structure and average maturity to the annuity, as determined by ML & Co.

(c) MERRILL LYNCH'S RIGHT TO ALTER PAYMENT DATE. Notwithstanding the provisions of Sections 5.1(a) and (b), if the Participant chooses an illiquid private equity benchmark, the Administrator may, in his or her sole discretion, direct that the Account Balance be paid as amounts are distributed by the underlying private equity fund rather than in accordance with the Participant's original elections.

5.2 TERMINATION OF EMPLOYMENT.

(a) DEATH, RETIREMENT, RULE OF 45. Upon a Participant's death or Retirement (as defined in this Plan), or termination when the Participant complies with the Rule of 45 (as defined in this Plan) prior to payment, the Account Balance will be paid, in accordance with the Participant's elections and as provided in Section 5.1(a) or (b), as applicable, to the Participant or to the Participant's beneficiary (in the event of death); provided, however, that (1) in the event that the Participant enters into competition with the business of Merrill Lynch, he or she will not be eligible for Retirement treatment under this Section 5.2 (a) and (2) in the event that a beneficiary of the Participant's Account is the Participant's estate or is otherwise not a natural person, then (i) if the Participant has elected a regular payment election pursuant to Section 5.1(a), the applicable portion of the Account Balance will be paid in a single payment to such beneficiary notwithstanding any election of installment payments, and (ii) if the Participant has elected modified installment payments pursuant to Section 5.1(b), the applicable portion of the Account Balance will continue to be payable as modified installment payments or annuitized payments, as the case may be, in accordance with Section 5.1(b), but only to a single person consisting of the administrator or executor of the Participant's estate or another person lawfully designated by the administrator or executor (and in the event no such person is designated within a reasonable time, payment will be made in a lump sum).

(b) OTHER TERMINATION OF EMPLOYMENT - FORFEITURE OF LEVERAGE.

(1) If the Participant's employment terminates at any time for any other reason than those described in Section 5.2 (a), then, notwithstanding the Participant's elections hereunder, any Available Balance will be paid to the Participant, as soon as practicable, in a single payment if the Account Balance is fully liquid, or as available, as soon thereafter as is practicable, notwithstanding the Participant's elections hereunder.

(2) In the event that a Participant's employment terminates at any time for any reason other than death or disability or in the event that the Participant qualifies for Retirement under this Plan, such Participant will forfeit all rights to the unvested leveraged portion of such Participant's ML Ventures Units, including any future Leveraged Distributions, unless the Administrator, in his or her sole discretion, determines that such forfeiture would be detrimental to Merrill Lynch; provided, however, that such forfeiture will not occur: if (a) the Participant is terminated by ML & Co. as the result of a reduction in staff, (b) the Participant delivers to ML & Co. a release of claims (in a form approved by the Administrator and counsel) he or she may have against the corporation or any of its subsidiaries, and (3) such Participant complies with the terms of such release. In the event of such forfeiture, the Participant's Account Balance and Debit Balance will be restated, as of the date of termination, to reflect what such balances would have been had the Participant selected no leverage under Section 3.4(c). To the extent necessary, the Participant's Account Balance will also be adjusted, as of the date of the termination, to credit the Participant with the amount of any Unleveraged Distributions that were previously applied to the repayment of the Leveraged Principal Amount and any Interest Amounts and, to the extent necessary, any Leveraged Distributions paid out to the Participant will be restated as a Debit Balance. Leveraged and Unleveraged Distributions shall be deemed to have been applied and distributed proportionately. All calculations hereunder shall be made by the Administrator and shall be final and conclusive.

(c) LEAVE OF ABSENCE, TRANSFER OR DISABILITY. The Participant's employment will not be considered as terminated if the Participant (1) is on an approved leave of absence; (2) transfers or is transferred but remains in the employ of the Company or an unconsolidated affiliate; or (3) is eligible to receive disability payments under the ML & Co. Basic Long-Term Disability Plan.

(d) DISCRETION TO ALTER PAYMENT DATE. Notwithstanding the provisions of Sections 5.2(a) and (b), if the Participant's employment terminates for any reason, the Administrator may, in his or her sole discretion, direct that the Account Balance be paid at some other time or that it be paid in installments; provided that no such direction that adversely affects the rights of the Participant or his or her beneficiary under this Plan shall be implemented without the consent of the affected Participant or beneficiary.

5.3 WITHHOLDING OF TAXES.

ML & Co. will deduct or withhold from any payment to be made or deferred hereunder any U.S. Federal, state or local or foreign income or employment taxes required by law to be withheld or require the Participant or the Participant's beneficiary to pay any amount, or the balance of any amount, required to be withheld.

5.4 BENEFICIARY.

(a) DESIGNATION OF BENEFICIARY. The Participant may designate, in a writing delivered to the Administrator or his or her designee before the Participant's death, a beneficiary to receive payments in the event of the Participant's death. The Participant may also designate a contingent beneficiary to receive payments in accordance with this Plan if the primary beneficiary does not survive the Participant. The Participant may designate more than one person as the Participant's beneficiary or contingent beneficiary, in which case (i) no contingent beneficiary would receive any payment unless all of the primary beneficiaries predeceased the Participant, and (ii) the surviving beneficiaries in any class shall share in any payments in proportion to the percentages of interest assigned to them by the Participant.

(b) CHANGE IN BENEFICIARY. The Participant may change his or her beneficiary or contingent beneficiary (without the consent of any prior beneficiary) in a writing delivered to the Administrator or his or her designee before the Participant's death. Unless the Participant states otherwise in writing, any change in beneficiary or contingent beneficiary will automatically revoke prior such designations of the Participant's beneficiary or of the Participant's contingent beneficiary, as the case may be, under this Plan only; and any designations under other deferral agreements or plans of the Company will remain unaffected.

(c) DEFAULT BENEFICIARY. In the event that a Participant does not designate a beneficiary, or no designated beneficiary survives the Participant, the Participant's beneficiary shall be the Participant's surviving spouse, if the Participant is married at the time of his or her death and not subject to a court-approved agreement or court decree of separation, or otherwise the person or persons designated to receive benefits on account of the Participant's death under the ML & Co. Basic Group Life Insurance Plan (the "Life Insurance Plan"). However, if an unmarried Participant does not have coverage in effect under the Life Insurance Plan, or the Participant has assigned his or her death benefit under the Life Insurance Plan, any amounts payable to the Participant's beneficiary under the Plan will be paid to the Participant's estate.

(d) IF THE BENEFICIARY DIES DURING PAYMENT. If a beneficiary who is receiving or is entitled to receive payments hereunder dies after the Participant dies, but before all the payments have been made, the portion of the Account Balance to which that beneficiary was entitled will be paid as soon as practicable in one lump sum to such beneficiary's estate and not to any contingent beneficiary the Participant may have designated; provided, however, that if the beneficiary was receiving modified installment payments or annuitized payments pursuant to Section 5.1(b), the applicable portion of the Account Balance will continue to be paid as modified installment payments or annuitized payments, as the case may be, in accordance with Section 5.1(b), but only to a single person consisting of the administrator or executor of the beneficiary's estate or another person lawfully designated by the administrator or executor (and in the event no such person is designated within a reasonable time, payment will be made in a lump sum).

5.5 HARDSHIP DISTRIBUTIONS.

ML & Co. has the sole discretion, but shall not be required to, pay to the Participant, on such terms and conditions as the Administrator may establish, such part or all of the Account Balance as he or she may, in his or her sole discretion based upon substantial evidence submitted by the Participant, determine necessary to alleviate hardship caused by an unanticipated emergency or necessity outside of the Participant's control affecting the Participant's personal or family affairs. Such payment will be made only at the Participant's written request and with the express approval of the Administrator and will be made on the date selected by the Administrator in his or her sole discretion. The balance of the Account, if any, will continue to be governed by the terms of this Plan. Hardship shall be deemed to exist only on account of expenses for medical care (described in Code Section 213(d)) of the Participant, the Participant's spouse or the Participant's dependents (described in Code Section 152); payment of unreimbursed tuition and related educational fees for the Participant, the Participant's spouse or the Participant's dependents; the need to prevent the Participant's eviction from or, foreclosure on, the Participant's principal residence; unreimbursed damages resulting from a natural disaster; or such other financial need deemed by the Administrator in his or her sole discretion to be immediate and substantial.

5.6 DOMESTIC RELATIONS ORDERS.

Notwithstanding the Participant's elections hereunder, ML & Co. will pay to, or to the Participant for the benefit of, the Participant's spouse or former spouse the portion of the Participant's Account Balance specified in a valid court order entered in a domestic relations proceeding involving the Participant's divorce or legal separation. Such payment will be made net of any amounts the Company may be required to withhold under applicable federal, state or local law. After such payment, references herein to the Participant's "Deferred Amounts" (including, without limitation, for purposes of determining the Annual Charge applicable to any remaining Account Balance) shall mean the Participant's original Deferred Amounts times an amount equal to one minus a fraction, the numerator of which is the gross amount (prior to withholding) paid pursuant to the order, and the denominator of which is the Participant's Account Balance immediately prior to payment.

5.7 NO ACTIONS PERMITTED THAT WOULD CAUSE CONSTRUCTIVE RECEIPT

Notwithstanding any provision of the Plan to the contrary, no acceleration or other modification of the time or form of payment of any amount under the Plan shall be permitted to the extent that such acceleration or modification would cause any Participant or Beneficiary to be in constructive receipt of any amount hereunder.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.1 POWERS OF THE ADMINISTRATOR.

The Administrator has full power and authority to interpret, construe and administer this Plan so as to ensure that it provides deferred compensation for the Participants as members of a select group of management or highly compensated employees within the meaning of Title I of ERISA. The Administrator's interpretations and construction hereof, and actions hereunder, including any determinations regarding the amount or recipient of any payments, will be binding and conclusive on all persons for all purposes. The Administrator will not be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan unless attributable to his or her willful misconduct or lack of good faith. The Administrator may designate persons to carry out the specified responsibilities of the Administrator and shall not be liable for any act or omission of a person as designated.

6.2 GRANTOR TRUST

Creation of Trust. The Administrator shall be empowered to create a grantor trust to hold assets representing the amounts deferred under this Plan on such terms and conditions as the Administrator shall approve. The trustee of the grantor trust shall be a party unaffiliated with the Company.

6.3 PAYMENTS ON BEHALF OF AN INCOMPETENT.

If the Administrator finds that any person who is entitled to any payment hereunder is a minor or is unable to care for his or her affairs because of disability or incompetency, payment of the Account Balance may be made to anyone found by the Administrator to be the committee or other authorized representative of such person, or to be otherwise entitled to such payment, in the manner and under the conditions that the Administrator determines. Such payment will be a complete discharge of the liabilities of ML & Co. hereunder with respect to the amounts so paid.

6.4 NO RIGHT OF SET-OFF.

Unless specifically authorized by a Participant, the Company shall have no right of set-off with respect to any Participant's Account Balances or Account under the Plan and unless so authorized, the Company shall not withhold any sums owed to a Participant under the Plan.

6.5 CORPORATE BOOKS AND RECORDS CONTROLLING.

The books and records of the Company will be controlling in the event that a question arises hereunder concerning the amount of Adjusted Compensation, Incentive Compensation, Sign-On Bonus, Eligible Compensation, the Deferred Amounts, the Account Balance, the designation of a beneficiary, or any other matters.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1 LITIGATION.

The Company shall have the right to contest, at its expense, any ruling or decision, administrative or judicial, on an issue that is related to the Plan and that the Administrator believes to be important to Participants, and to conduct any such contest or any litigation arising therefrom to a final decision.

7.2 HEADINGS ARE NOT CONTROLLING.

The headings contained in this Plan are for convenience only and will not control or affect the meaning or construction of any of the terms or provisions of this Plan.

7.3 GOVERNING LAW.

To the extent not preempted by applicable U.S. Federal law, this Plan will be construed in accordance with and governed by the laws of the State of New York as to all matters, including, but not limited to, matters of validity, construction, and performance.

7.4 AMENDMENT AND TERMINATION.

ML & Co., through the Administrator, reserves the right to amend or terminate this Plan at any time, except that no such amendment or termination shall adversely affect the right of a Participant to his or her Account Balance (as reduced by the Annual Charge, the Debit Balance or the Leveraged Principal Amount and Interest thereon, as set forth in Section 3.4) as of the date of such amendment or termination.

<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)

<S>	For the Three Months Ended		For the Nine Months Ended	
	Sept. 27, 2002	Sept. 28, 2001	Sept. 27, 2002	Sept. 28, 2001
	<C>	<C>	<C>	<C>
Pre-tax earnings	$ 1,054	$ 686	$ 3,014	$ 2,889
Add: Fixed charges (excluding capitalized interest and preferred security dividend requirements of subsidiaries)	2,534	3,843	7,499	14,223
Pre-tax earnings before fixed charges	3,588	4,529	10,513	17,112
Fixed charges:				
Interest	2,484	3,777	7,342	14,028
Other (a)	98	119	302	353
Total fixed charges	2,582	3,896	7,644	14,381
Preferred stock dividend requirements	14	14	41	42
Total combined fixed charges and preferred stock dividends	$ 2,596	$ 3,910	$ 7,685	$14,423
RATIO OF EARNINGS TO FIXED CHARGES	1.39x	1.16x	1.38x	1.19x
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS	1.38x	1.16x	1.37x	1.19x

(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>

EXHIBIT 15

November 8, 2002

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 condensed consolidated financial statements of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of September 27, 2002 and for the three-month and nine-month periods ended September 27, 2002 and September 28, 2001, as indicated in our report dated November 8, 2002; 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 September 27, 2002, is incorporated by reference in the following documents, 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)

Registration Statement No. 333-99105 (2003 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. 333-97937

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 the 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 99(i)

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 September 27, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David H. Komansky, 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/ David H. Komansky

David H. Komansky
Chairman of the Board and
Chief Executive Officer

Dated: November 8, 2002

EXHIBIT 99(ii)

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 September 27, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas H. Patrick, 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/ Thomas H. Patrick

Thomas H. Patrick
Executive Vice President and
Chief Financial Officer

Dated: November 8, 2002