

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2000  
-----

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.

399,067,937 shares of Common Stock and 2,583,689 Exchangeable Shares as of the close of business on August 4, 2000. The Exchangeable Shares, which were issued by Merrill Lynch & Co., Canada Ltd. in connection with the merger with Midland Walwyn Inc., are exchangeable at any time into Common Stock on a one-for-one basis and entitle holders to dividend, voting, and other rights equivalent to Common Stock.

PART I. FINANCIAL INFORMATION  
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ITEM 1. Financial Statements  
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

(dollars in millions, except per share amounts)	FOR THE THREE MONTHS ENDED		PERCENT INC. (DEC.)
	JUNE 30, 2000	JUNE 25, 1999	
--	-----	-----	-----
<S>	<C>	<C>	<C>
NET REVENUES			
Commissions	\$ 1,642	\$ 1,592	3.1
%			
Principal transactions	1,420	1,064	33.5
Investment banking	1,087	908	19.7
Asset management and portfolio service fees	1,413	1,159	21.9
Other	272	175	55.4
	-----	-----	

Subtotal	5,834	4,898	19.1
Interest and dividend revenues	5,065	3,732	35.7
Less interest expense	4,202	3,190	31.7
Net interest profit	863	542	59.2
TOTAL NET REVENUES	6,697	5,440	23.1
NON-INTEREST EXPENSES			
Compensation and benefits	3,443	2,729	26.2
Communications and technology	579	536	8.0
Occupancy and related depreciation	256	232	10.3
Advertising and market development	262	201	30.3
Brokerage, clearing, and exchange fees	196	170	15.3
Professional fees	166	143	16.1
Goodwill amortization	54	56	(3.6)
Other	363	342	6.1
TOTAL NON-INTEREST EXPENSES	5,319	4,409	20.6
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	1,378	1,031	33.7
Income Tax Expense	427	310	37.7
Dividends on Preferred Securities Issued by Subsidiaries	49	48	2.1
NET EARNINGS	\$ 902	\$ 673	34.0
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	\$ 892	\$ 664	34.3
EARNINGS PER COMMON SHARE			
Basic	\$ 2.29	\$ 1.80	
Diluted	\$ 2.01	\$ 1.57	
DIVIDEND PAID PER COMMON SHARE	\$ 0.30	\$ 0.27	
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE			
Basic	389.1	368.3	
Diluted	443.7	421.3	

</TABLE>

See Notes to Consolidated Financial Statements

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

	FOR THE SIX MONTHS ENDED		
	JUNE 30, 2000	JUNE 25, 1999	PERCENT INC. (DEC.)
(dollars in millions, except per share amounts)			
NET REVENUES			
Commissions	\$ 3,794	\$ 3,159	20.1
%			
Principal transactions	3,207	2,509	27.8
Investment banking	2,083	1,540	35.3
Asset management and portfolio service fees	2,803	2,268	23.6
Other	510	308	65.6
Subtotal	12,397	9,784	26.7

Interest and dividend revenues	9,528	7,413	28.5
Less interest expense	7,981	6,491	23.0
	-----	-----	
Net interest profit	1,547	922	67.8
	-----	-----	
TOTAL NET REVENUES	13,944	10,706	30.2
	-----	-----	
NON-INTEREST EXPENSES			
Compensation and benefits	7,251	5,490	32.1
Communications and technology	1,157	1,016	13.9
Occupancy and related depreciation	506	459	10.2
Advertising and market development	506	353	43.3
Brokerage, clearing, and exchange fees	388	324	19.8
Professional fees	313	261	19.9
Goodwill amortization	110	113	(2.7)
Other	760	663	14.6
	-----	-----	
TOTAL NON-INTEREST EXPENSES	10,991	8,679	26.6
	-----	-----	
EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,953	2,027	45.7
Income Tax Expense	916	648	41.4
Dividends on Preferred Securities Issued by Subsidiaries	98	97	1.0
	-----	-----	
NET EARNINGS	\$ 1,939	\$ 1,282	51.2
	=====	=====	
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	\$ 1,920	\$ 1,263	52.0
	=====	=====	
EARNINGS PER COMMON SHARE			
Basic	\$ 4.98	\$ 3.45	
	=====	=====	
Diluted	\$ 4.38	\$ 3.02	
	=====	=====	
DIVIDENDS PAID PER COMMON SHARE	\$ 0.57	\$ 0.51	
	=====	=====	
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE			
Basic	385.4	366.2	
	=====	=====	
Diluted	438.0	418.5	
	=====	=====	

- - - - -  
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</TABLE>

See Notes to Consolidated Financial Statements

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

<TABLE>  
<CAPTION>

	JUNE 30,	DECEMBER
31, (dollars in millions)	2000	1999
- - - - -	-----	-----
<S>	<C>	<C>
ASSETS		
CASH AND CASH EQUIVALENTS	\$ 11,401	\$ 10,827
CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES OR DEPOSITED WITH CLEARING ORGANIZATIONS	5,929	5,880
RECEIVABLES UNDER RESALE AGREEMENTS AND SECURITIES BORROWED TRANSACTIONS	107,094	99,741
MARKETABLE INVESTMENT SECURITIES	18,519	10,145
TRADING ASSETS, AT FAIR VALUE		
Equities and convertible debentures	28,261	23,593

Corporate debt and preferred stock	18,165	20,346
Contractual agreements	17,869	22,701
U.S. Government and agencies	8,750	15,376
Non-U.S. governments and agencies	8,148	4,892
Mortgages, mortgage-backed, and asset-backed	8,194	7,394
Municipals and money markets	3,191	2,427
-	-----	-----
Securities received as collateral, net of securities pledged as collateral	92,578	96,729
-	-----	-----
Total	104,870	106,734
-	-----	-----
SECURITIES PLEDGED AS COLLATERAL	9,818	9,699
-	-----	-----
OTHER RECEIVABLES		
Customers (net of allowance for doubtful accounts of \$79 in 2000 and \$56 in 1999)	44,650	39,850
Brokers and dealers	15,638	9,095
Interest and other	7,497	7,505
-	-----	-----
Total	67,785	56,450
-	-----	-----
INVESTMENTS OF INSURANCE SUBSIDIARIES	4,002	4,097
LOANS, NOTES, AND MORTGAGES (net of allowance for loan losses of \$171 in 2000 and \$146 in 1999)	12,133	11,187
OTHER INVESTMENTS	3,472	3,410
EQUIPMENT AND FACILITIES (net of accumulated depreciation and amortization of \$4,398 in 2000 and \$4,069 in 1999)	3,172	3,117
GOODWILL (net of accumulated amortization of \$626 in 2000 and \$543 in 1999)	4,592	4,952
OTHER ASSETS	2,321	1,832
-	-----	-----
TOTAL ASSETS	\$ 355,108	\$ 328,071
	=====	=====

</TABLE>

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

<TABLE>  
<CAPTION>

DECEMBER 31, (dollars in millions, except per share amount) 1999	JUNE 30, 2000
- - - - -	-----
<S>	<C>
<C>	
LIABILITIES	
PAYABLES UNDER REPURCHASE AGREEMENTS AND SECURITIES LOANED TRANSACTIONS	\$ 83,613
\$ 71,578	
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS	20,556
25,595	
DEMAND AND TIME DEPOSITS	29,902
17,602	
TRADING LIABILITIES, AT FAIR VALUE	
Contractual agreements	17,812
27,030	
Equities and convertible debentures	26,544
20,231	
U.S. Government and agencies	9,532

10,816	
Non-U.S. governments and agencies	6,766
6,311	
Corporate debt, preferred stock, and other	3,804
3,405	
-----	-----
Total	64,458
67,793	
-----	-----
OBLIGATION TO RETURN SECURITIES RECEIVED AS COLLATERAL	22,110
19,704	
-----	-----
OTHER PAYABLES	
Customers	23,132
22,722	
Brokers and dealers	8,872
11,397	
Interest and other	18,538
18,601	
-----	-----
Total	50,542
52,720	
-----	-----
LIABILITIES OF INSURANCE SUBSIDIARIES	3,989
4,087	
LONG-TERM BORROWINGS	61,489
53,465	
-----	-----
TOTAL LIABILITIES	336,659
312,544	
-----	-----
PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,722
2,725	
-----	-----
STOCKHOLDERS' EQUITY	
PREFERRED STOCKHOLDERS' EQUITY	425
425	
-----	-----
COMMON STOCKHOLDERS' EQUITY	
Shares exchangeable into common stock	39
59	
Common stock, par value \$1.33 1/3 per share; authorized: 1,000,000,000 shares;	
issued: 2000 - 472,716,448 shares; 1999 - 472,714,925 shares	630
630	
Paid-in capital	3,065
1,863	
Accumulated other comprehensive loss (net of tax)	(400)
(389)	
Retained earnings	14,368
12,667	
-----	-----
	17,702
14,830	
Less: Treasury stock, at cost: 2000 - 84,320,231 shares; 1999 - 104,949,595 shares	1,407
1,817	
Employee stock transactions	993
636	
-----	-----
TOTAL COMMON STOCKHOLDERS' EQUITY	15,302
12,377	
-----	-----
TOTAL STOCKHOLDERS' EQUITY	15,727

12,802

-----  
TOTAL LIABILITIES, PREFERRED SECURITIES ISSUED BY SUBSIDIARIES,  
AND STOCKHOLDERS' EQUITY  
\$ 328,071

-----  
\$ 355,108  
=====

</TABLE>

See Notes to Consolidated Financial Statements

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

<TABLE>  
<CAPTION>

	FOR THE SIX MONTHS ENDED	
	-----	
	JUNE 30,	JUNE
	2000	
	-----	----
----		
(dollars in millions)		
25,		
1999		
---		
<S>	<C>	
<C>		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 1,939	\$
1,282		
Noncash items included in earnings:		
Depreciation and amortization	404	
336		
Policyholder reserves	97	
104		
Goodwill amortization	110	
113		
Amortization of stock-based compensation	244	
222		
Other	251	
179		
(Increase) decrease in operating assets(a):		
Trading assets	4,678	
4,727		
Cash and securities segregated for regulatory purposes		
or deposited with clearing organizations	(49)	
869		
Receivables under resale agreements and securities borrowed transactions	(7,353)	
(18,803)		
Customer receivables	(4,823)	
(5,729)		
Brokers and dealers receivables	(6,543)	
1,500		
Other	(311)	
(1,397)		
Increase (decrease) in operating liabilities(a):		
Trading liabilities	(3,335)	
8,442		
Payables under repurchase agreements and securities loaned transactions	12,035	
11,460		
Customer payables	410	
(2,606)		
Brokers and dealers payables	(2,525)	
116		
Other	40	
1,927		
	-----	----
---		
CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES	(4,731)	
2,742		
	-----	----
---		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments for):		
Maturities of available-for-sale securities	4,575	

2,666		
Sales of available-for-sale securities	2,308	
1,808		
Purchases of available-for-sale securities	(16,036)	
(4,804)		
Maturities of held-to-maturity securities	464	
329		
Purchases of held-to-maturity securities	(337)	
(346)		
Loans, notes, and mortgages	(960)	
(317)		
Acquisitions, net of cash acquired	-	
(20)		
Other investments and other assets	(479)	
(984)		
Equipment and facilities	(459)	
(425)		
	-----	-----
---		
CASH USED FOR INVESTING ACTIVITIES	(10,924)	
(2,093)		
	-----	-----
---		
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for):		
Commercial paper and other short-term borrowings	(5,039)	
(3,052)		
Demand and time deposits	12,300	
2,700		
Issuance and resale of long-term borrowings	17,178	
11,395		
Settlement and repurchase of long-term borrowings	(8,395)	
(12,194)		
Issuance of treasury stock	414	
149		
Other common and preferred stock transactions	9	
(184)		
Dividends	(238)	
(206)		
	-----	-----
---		
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	16,229	
(1,392)		
	-----	-----
---		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	574	
(743)		
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	10,827	
12,530		
	-----	-----
---		
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 11,401	\$
11,787		
	=====	
=====		
(a) Net of effects of acquisitions.		
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Income taxes	\$ 290	\$
33		
Interest	7,631	
6,360		
-		
-----		
</TABLE>		

See Notes to Consolidated Financial Statements

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)  
JUNE 30, 2000  
(dollars in millions, except per share amounts)

NOTE 1. BASIS OF PRESENTATION

The Consolidated Financial Statements include the accounts of Merrill Lynch &

Co., Inc. ("ML & Co.") and subsidiaries (collectively, "Merrill Lynch"). All material intercompany balances have been eliminated. The December 31, 1999 consolidated balance sheet was derived from the audited financial statements. The interim consolidated financial statements for the three- and six-month periods are unaudited; however, in the opinion of Merrill Lynch management, all adjustments, consisting only of normal recurring accruals, necessary for a fair statement of the results of operations have been included.

These unaudited financial statements should be read in conjunction with the audited financial statements included in Merrill Lynch's Annual Report included as an exhibit to Form 10-K for the year ended December 31, 1999. 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. Certain reclassifications have also been made to prior period financial statements, where appropriate, to conform to the current period presentation.

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NOTE 2. SHORT-TERM BORROWINGS  
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Short-term borrowings at June 30, 2000 and December 31, 1999 are presented below:

<TABLE>  
<CAPTION>

	JUNE 30, 2000 -----	DEC. 31, 1999 -----
<S>	<C>	<C>
PAYABLES UNDER REPURCHASE AGREEMENTS AND SECURITIES LOANED TRANSACTIONS		
Repurchase agreements	\$73,486	\$64,954
Securities loaned transactions	10,127	6,624
	-----	-----
Total	\$83,613	\$71,578
	=====	=====
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS		
Commercial paper	\$18,129	\$24,198
Bank loans and other	2,427	1,397
	-----	-----
Total	\$20,556	\$25,595
	=====	=====
DEMAND AND TIME DEPOSITS		
Demand	\$ 3,381	\$ 3,498
Time	26,521	14,104
	-----	-----
Total	\$29,902	\$17,602
	=====	=====

</TABLE>

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NOTE 3. SEGMENT INFORMATION  
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In reporting to management, Merrill Lynch's operating results are categorized into three business segments: the Corporate and Institutional Client Group ("CICG"), the Private Client Group ("PCG") and Merrill Lynch Investment Managers ("MLIM"). Prior period amounts have been restated to distribute the Corporate tax benefit to the segments and to more closely align revenues and expenses with segment balance sheets. For information on each segment's activities, see Management's Discussion and Analysis - Business Segments and the 1999 Annual Report included as an exhibit to Form 10-K.

Operating results by business segment follow:

<TABLE>  
<CAPTION>

	CICG -----	PCG -----	MLIM -----	CORPORATE ITEMS -----	TOTAL -----
<S>	<C>	<C>	<C>	<C>	<C>

THREE MONTHS ENDED



JUNE 30, 2000

Non-interest revenues	\$ 2,684	\$ 2,603	\$ 589	\$ (42) (a)	\$ 5,834
Net interest revenue(b)	495	389	13	(34) (c)	863
-	-----	-----	-----	-----	-----
Net revenues	3,179	2,992	602	(76)	6,697
Non-interest expenses	2,152	2,674	480	13 (d)	5,319
-	-----	-----	-----	-----	-----
Earnings (loss) before income taxes and dividends on preferred securities issued by subsidiaries	1,027	318	122	(89)	1,378
Income tax expense (benefit)	314	102	38	(27)	427
Dividends on preferred securities issued by subsidiaries	-	-	-	49	49
-	-----	-----	-----	-----	-----
Net earnings (loss)	\$ 713	\$ 216	\$ 84	\$ (111)	\$ 902
	=====	=====	=====	=====	=====
Total assets	\$277,883	\$70,435	\$2,198	\$4,592	\$355,108
	=====	=====	=====	=====	=====

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	CICG	PCG	MLIM	CORPORATE ITEMS	
TOTAL	-----	-----	-----	-----	-----
THREE MONTHS ENDED JUNE 25, 1999					
Non-interest revenues	\$ 2,074	\$ 2,345	\$ 533	\$ (54) (a)	\$ 4,898
Net interest revenue(b)	312	283	3	(56) (c)	542
--	-----	-----	-----	-----	-----
Net revenues 5,440	2,386	2,628	536	(110)	
Non-interest expenses	1,719	2,263	427	- (d)	4,409
--	-----	-----	-----	-----	-----
Earnings (loss) before income taxes and dividends on preferred securities issued by subsidiaries	667	365	109	(110)	1,031
Income tax expense (benefit)	185	124	35	(34)	310
Dividends on preferred securities issued by subsidiaries	-	-	-	48	
48	-----	-----	-----	-----	-----
--					
Net earnings (loss)	\$ 482	\$ 241	\$ 74	\$ (124)	\$ 673
	=====	=====	=====	=====	
Total assets	\$265,436	\$52,011	\$2,314	\$4,979	\$324,740
	=====	=====	=====	=====	

</TABLE>

- (a) Represents the elimination of intersegment revenues.  
(b) Management views interest income net of interest expense in evaluating results.  
(c) Represents Mercury financing costs.  
(d) Represents goodwill amortization of \$54 million and \$56 million, net of elimination of intersegment expenses of \$41 million and \$56 million, for the three months ended June 30, 2000 and June 25, 1999, respectively.

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<TABLE>  
<CAPTION>

	CICG	PCG	MLIM	CORPORATE ITEMS	TOTAL
	-----	-----	-----	-----	-----

<S>	<C>	<C>	<C>	<C>	<C>
SIX MONTHS ENDED JUNE 30, 2000					
Non-interest revenues	\$5,734	\$5,607	\$1,189	\$ (133) (a)	\$12,397
Net interest revenue(b)	825	773	23	(74) (c)	1,547
	-----	-----	-----	-----	-----
Net revenues	6,559	6,380	1,212	(207)	13,944
Non-interest expenses	4,424	5,583	983	1 (d)	10,991
	-----	-----	-----	-----	-----
Earnings (loss) before income taxes and dividends on preferred securities issued by subsidiaries	2,135	797	229	(208)	2,953
Income tax expense (benefit)	625	280	74	(63)	916
Dividends on preferred securities issued by subsidiaries	-	-	-	98	98
	-----	-----	-----	-----	-----
Net earnings (loss)	\$1,510	\$ 517	\$ 155	\$ (243)	\$ 1,939
	=====	=====	=====	=====	=====

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	CICG	PCG	MLIM	CORPORATE ITEMS	TOTAL
	-----	-----	-----	-----	-----
SIX MONTHS ENDED JUNE 25, 1999					
Non-interest revenues	\$4,198	\$4,683	\$1,020	\$ (117) (a)	\$ 9,784
Net interest revenue(b)	493	542	2	(115) (c)	922
	-----	-----	-----	-----	-----
Net revenues	4,691	5,225	1,022	(232)	10,706
Non-interest expenses	3,349	4,482	855	(7) (d)	8,679
	-----	-----	-----	-----	-----
Earnings (loss) before income taxes and dividends on preferred securities issued by subsidiaries	1,342	743	167	(225)	2,027
Income tax expense (benefit)	388	274	59	(73)	648
Dividends on preferred securities issued by subsidiaries	-	-	-	97	97
	-----	-----	-----	-----	-----
Net earnings (loss)	\$ 954	\$ 469	\$ 108	\$ (249)	\$ 1,282
	=====	=====	=====	=====	=====

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</TABLE>

- (a) Represents the elimination of intersegment revenues.  
(b) Management views interest income net of interest expense in evaluating results.  
(c) Represents Mercury financing costs.  
(d) Represents goodwill amortization of \$110 million and \$113 million, net of elimination of intersegment expenses of \$109 million and \$120 million, for the six months ended June 30, 2000 and June 25, 1999, respectively.

NOTE 4. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

<TABLE> <CAPTION>	THREE MONTHS ENDED		SIX MONTHS
	-----		-----
ENDED	JUNE 30,	JUNE 25,	JUNE 30,
	2000	1999	2000
	-----	-----	-----
Net earnings	\$902	\$673	\$1,939
\$1,282			

-----	----	----	-----
Other comprehensive income (loss), net of tax:			
Currency translation adjustment	(59)	(42)	(68)
(159)			
Net unrealized gain (loss) on investment			
securities available-for-sale	47	(5)	57
(38)			
-----	----	----	-----
Total other comprehensive loss, net	(12)	(47)	(11)
(197)			
-----	----	----	-----
Comprehensive income	\$890	\$626	\$1,928
\$1,085			
=====	=====	=====	=====

</TABLE>

NOTE 5. EARNINGS PER COMMON SHARE

Information relating to earnings per common share computations follows:

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30,	JUNE 25,	JUNE 30,	
	2000	1999	2000	
JUNE 25,				
1999				
-----	-----	-----	-----	---
<S>	<C>	<C>	<C>	<C>
Net earnings	\$ 902	\$ 673	\$ 1,939	\$
1,282				
Preferred stock dividends	10	9	19	
19				
-----	-----	-----	-----	---
Net earnings applicable to				
common stockholders	\$ 892	\$ 664	\$ 1,920	\$
1,263				
=====	=====	=====	=====	
(shares in thousands)				
Weighted-average shares outstanding	389,077	368,273	385,359	
366,156				
-----	-----	-----	-----	---
Effect of dilutive instruments(1) (2):				
Employee stock options	32,908	30,984	31,936	
30,408				
FCCAAP shares	14,667	16,640	14,387	
16,594				
Restricted units	6,988	5,323	6,285	
5,242				
ESPP shares	25	47	51	
64				
-----	-----	-----	-----	---
Dilutive potential common shares	54,588	52,994	52,659	
52,308				
-----	-----	-----	-----	---
Total weighted-average diluted shares	443,665	421,267	438,018	
418,464				
=====	=====	=====	=====	
-----	-----	-----	-----	---
Basic earnings per common share	\$ 2.29	\$ 1.80	\$ 4.98	\$
3.45				
Diluted earnings per common share	\$ 2.01	\$ 1.57	\$ 4.38	\$
3.02				

</TABLE>

- (1) During the 2000 second quarter and the 1999 second quarter, there were 404 thousand and 3,785 thousand instruments, respectively, that were considered antidilutive and were not included in the above computations.
- (2) See Note 11 to Consolidated Financial Statements in the 1999 Annual Report included as an exhibit to Form 10-K for a description of these instruments.

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NOTE 6. DERIVATIVES, COMMITMENTS, AND OTHER CONTINGENCIES

Merrill Lynch enters into various derivative contracts to meet clients' needs and to manage its own market risks. Derivative contracts often involve future commitments to exchange interest payment streams or currencies (such as interest rate and currency swaps or foreign exchange forwards) or to purchase or sell other financial instruments at specified terms on a specified date. Options, for example, can be purchased or written on a wide range of financial instruments such as securities, currencies, futures, and various market indices.

The notional or contractual amounts of derivatives provide only a measure of involvement in these types of transactions and represent neither the amounts subject to the various types of market risk nor the future cash requirements under these instruments. The notional or contractual amounts of derivatives used for trading purposes and included in trading inventory by type of risk follow:

<TABLE>  
<CAPTION>

(in billions)	INTEREST RATE (1) (2)	CURRENCY (3)	EQUITY PRICE	COMMODITY PRICE
<S>	<C>	<C>	<C>	<C>
JUNE 30, 2000				
Swap agreements	\$ 2,586	\$ 180	\$ 45	\$ 1
Forward contracts	161	175	4	5
Futures contracts	214	4	12	2
Options purchased	64	120	46	2
Options written	76	70	54	3
DECEMBER 31, 1999				
Swap agreements	\$ 2,470	\$ 175	\$ 27	\$ 3
Forward contracts	94	153	3	1
Futures contracts	224	3	12	3
Options purchased	216	102	53	2
Options written	270	71	53	4

</TABLE>

- (1) Certain derivatives subject to interest rate risk are also exposed to the credit spread risk of the underlying financial instrument.
- (2) Forward contracts subject to interest rate risk principally represent "To Be Announced" mortgage pools that bear interest rate as well as principal prepayment risk.
- (3) Included in the currency risk category are certain contracts that are also subject to interest rate risk.

12

The notional or contractual amounts of non-trading derivatives used to hedge market risk exposures on non-trading assets and liabilities at June 30, 2000 and December 31, 1999 follow:

<TABLE>  
<CAPTION>

(in billions)	JUNE 30, 2000	DEC. 31, 1999
<S>	<C>	<C>
Borrowings:		
Interest rate risk(1)	\$ 40	\$ 44
Currency risk	1	1

Equity risk	7	3
Investment securities(2)	13	11
Resale and repurchase agreements(2)	6	6
Customer receivables(2)	7	6
Investment in non-U.S. subsidiaries(3)	4	3
Other	3	3
-----		

</TABLE>

- (1) Includes \$9 billion and \$10 billion of instruments that also contain currency risk at June 30, 2000 and December 31, 1999, respectively, and \$4 billion of instruments that also contain equity risk at both June 30, 2000 and December 31, 1999.
- (2) Primarily hedging interest rate risk.
- (3) Hedging currency risk.

Most of these derivatives are entered into with Merrill Lynch's derivative dealer subsidiaries, which hedge interest rate, currency, and equity risks in the normal course of their trading activities. Realized gains and losses on early terminations of derivatives are deferred over the remaining lives of the hedged assets or liabilities. At June 30, 2000, there were \$13 million in deferred gains relating to a derivative contract terminated during 1999.

In the normal course of business, Merrill Lynch enters into underwriting commitments and commitments to extend credit. Settlement of these commitments as of June 30, 2000 would not have a material effect on the consolidated financial condition of Merrill Lynch.

As of June 30, 2000, Merrill Lynch has been named as parties in various 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 Merrill Lynch's financial condition; however, such resolution could have a material adverse impact on quarterly operating results in future periods, depending in part on the results for such periods. Refer to Part II - Other Information for additional information on legal proceedings.

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NOTE 7. REGULATORY REQUIREMENTS

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Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a registered broker-dealer, is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934. Under the alternative method permitted by this rule, the minimum required net capital, as defined, shall not be less than 2% of aggregate debit items arising from customer transactions. At June 30, 2000, MLPF&S's regulatory net capital of \$3.7 billion was 13% of aggregate debit items, and its regulatory net capital in excess of the minimum required was \$3.1 billion.

Merrill Lynch International ("MLI"), a U.K. registered broker-dealer, is subject to the capital requirements of the Financial Services Authority ("FSA"). Financial resources, as defined, must exceed the total financial resources requirement of the FSA. At June 30, 2000, MLI's financial resources were \$4.3 billion and exceeded the minimum requirement by \$1.0 billion.

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Merrill Lynch Government Securities Inc. ("MLGSI"), a primary dealer in U.S. Government securities, is subject to the capital adequacy requirements of the Government Securities Act of 1986. This rule requires dealers to maintain liquid capital in excess of market and credit risk, as defined, by 20% (a 1.2-to-1 capital-to-risk standard). At June 30, 2000, MLGSI's liquid capital of \$1.6 billion was 371% of its total market and credit risk, and liquid capital in excess of the minimum required was \$1.1 billion.

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NOTE 8. SUBSEQUENT EVENTS

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On July 14, 2000, Merrill Lynch acquired Herzog, Heine, Geduld, Inc. ("Herzog"), a leading Nasdaq market maker, through an exchange offer followed by a merger of a wholly-owned subsidiary of Merrill Lynch & Co., Inc. with and into Herzog. Pursuant to the offer and the merger, each Herzog shareholder was entitled to receive 141.87751 shares of ML & Co. common stock for each Herzog share held. A total of 8,550,300 shares of ML & Co. common stock will be issued in connection with this transaction. Of this amount, 8,466,597 shares were issued on July 14, 2000, and 83,703 shares will be issued upon receipt of required documents from certain Herzog shareholders.

The merger will be accounted for as a pooling-of-interests and is not expected to have a significant impact on the results of operations, financial position, and cash flows of Merrill Lynch.

On July 18, 2000, Merrill Lynch's Board of Directors declared a two-for-one common stock split, to be effected in the form of a 100% stock dividend, payable on August 31, 2000 to stockholders of record on August 4, 2000. The par value of the common stock will remain at \$1.33 1/3 per share. Accordingly, an adjustment from paid-in capital to common stock will be required to preserve the par value of the post-split shares. Pro forma earnings per share, giving retroactive effect to the two-for-one common stock split, for the three- and six-month periods ended June 30, 2000 and June 25, 1999 follow:

<TABLE>

<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
<S>	<C>	<C>	<C>	<C>
Earning per common share:				
Basic	\$1.15	\$0.90	\$2.49	\$1.72
Diluted	\$1.01	\$0.79	\$2.19	\$1.51
Weighted average shares (in millions):				
Basic	778.2	736.5	770.7	732.3
Diluted	887.3	842.5	876.0	836.9

</TABLE>

Financial information contained elsewhere in these financial statements has not been adjusted to reflect the impact of the common stock split.

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#### INDEPENDENT ACCOUNTANTS' REPORT

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

We have reviewed the accompanying condensed consolidated balance sheet of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of June 30, 2000, and the related condensed consolidated statements of earnings for the three- and six-month periods ended June 30, 2000 and June 25, 1999, and the consolidated statements of cash flows for the six-month periods ended June 30, 2000 and June 25, 1999. 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 (hereinafter referred to as "generally accepted auditing standards"), 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 generally accepted auditing standards, the consolidated balance sheet of Merrill Lynch as of December 31, 1999, 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 28, 2000, we expressed an unqualified opinion and included an explanatory paragraph for the change in accounting method in 1998 for certain internal-use software development costs to conform with Statement of Position 98-1. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1999 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  
August 11, 2000

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 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, and related services worldwide. Merrill Lynch conducts its businesses in global financial markets that are influenced by numerous unpredictable factors including economic conditions, monetary policies, liquidity, international and regional political events, regulatory developments, the competitive environment, and investor sentiment. These conditions or events can significantly affect the volatility of financial markets. While greater volatility increases risk, it may also increase order flow in businesses such as trading and brokerage. Revenues and net earnings may vary significantly from period to period due to these unpredictable factors and the resulting market volatility.

The financial services industry continues to be affected by the intensifying competitive environment, as demonstrated by consolidation through mergers and acquisitions, as well as diminishing margins in many mature products and services, and competition from new entrants as well as established competitors using the internet to establish or expand their businesses. In addition, the passage of the Gramm-Leach-Bliley Act in November of 1999 represented a significant accomplishment in the effort to modernize the financial services industry in the U.S. by repealing anachronistic laws that separated commercial banking, investment banking and insurance activities. The Gramm-Leach-Bliley Act, together with other changes in the financial services industry made possible by previous reforms, has increased the number of companies competing for a similar customer base.

In addition to providing historical information, Merrill Lynch may make or publish forward-looking statements about management expectations, strategic objectives, business prospects, anticipated financial performance, and other similar matters. A variety of factors, many of which are beyond its control, affect the operations, performance, business strategy, and results of Merrill Lynch and could cause actual results and experience to differ materially from the expectations expressed in these statements. These factors include, but are not limited to, the factors listed in the previous paragraphs, as well as actions and initiatives taken by both current and potential competitors, the impact of current pending and future legislation and regulation throughout the world, and the other risks detailed in the following sections.

MERRILL LYNCH UNDERTAKES NO RESPONSIBILITY TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS.

-----  
 BUSINESS ENVIRONMENT  
 -----

Global financial markets experienced a slowdown in activity in the second quarter of 2000, as evidenced by a decline in stock and bond issuances and lower exchange trading volumes. The Federal Reserve Board's campaign to curb inflation through a series of interest rate hikes beginning in June of 1999 started to effect the U.S. economy, as evidenced by a mild decline in consumer spending. In addition, the downturns experienced in market indices, such as the mid-April dip in the Nasdaq Composite Index, led to a decline in investor confidence and a less favorable IPO environment.

Long-term U.S. interest rates, as measured by the yield on the 10-year U.S. Treasury bond, remained essentially unchanged from the end of the first quarter, ending the period at approximately 6.01%. Short-term U.S. rates, however, were on the rise, after the Federal Reserve Board raised interest rates a half a point to the highest level since 1991, the sixth interest rate hike over the past year. Short-term interest rates in Europe generally increased during the second quarter, and were higher compared with the 1999 second 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 in the second quarter of 2000.

U.S. equity indices, which achieved extraordinary gains in 1999, declined substantially in the 2000 second quarter. Investor concern about the direction of interest rates, inflation, and stock overvaluation contributed to market corrections in most equity indices. The technology-heavy Nasdaq Composite Index was down 13.3% from the start of the quarter, but up 47.7% from June of 1999. The decline for the quarter was due in part to increased investor emphasis on future earnings, which caused a shift from growth to value stocks. The Dow Jones

Industrial Average dropped a modest 4.3% during the quarter, and was down 4.8% from the end of the second quarter of 1999. The S&P 500 also fell slightly from the end of the 2000 first quarter, but advanced 6.0% from the end of the corresponding 1999 period.

Global equity markets, as measured by the Dow Jones World Index, declined 5.9% during the quarter, but were up 14.3% since the end of the second quarter of 1999. The renewed strength of both the Japanese yen and the euro, and concern over rising U.S. interest rates prevented many global equity markets from achieving any significant gains. During the quarter, Tokyo stocks fell 10% in U.S. dollar and 8% in local currency terms as the Bank of Japan maintained its zero-interest rate policy. With the exception of Venezuela, which led all Dow Jones country indices with a 26% gain, Latin American equity markets were primarily flat compared with the first quarter. European markets also suffered during the quarter, as the European Central Bank raised its key interest rate during the quarter in order to control inflation.

Rising interest rates contributed to a decrease in global debt underwriting volume during the second quarter of 2000, which dropped to \$617 billion from \$772 billion in the 2000 first quarter and \$816 billion in the 1999 second quarter, according to Thomson Financial Securities Data. Equity underwriting was stronger in dollar terms, as total proceeds from IPO underwriting in the U.S. reached \$25 billion for the quarter, which was only slightly lower than the \$29 billion record achieved in the 1999 fourth quarter. However, only 104 companies entered the market compared with 141 during the first quarter of 2000 and 168 during the fourth quarter of 1999, as the market for initial public offerings of dot-com retailers and Web-based business-to-business companies disappeared.

After a strong beginning, U.S. merger and acquisition activities tapered off in the 2000 second quarter, due in part to the higher cost of financing deals. U.S. announced mergers and acquisitions totalled only \$251 billion in the quarter, compared with \$490 billion in the second quarter of 1999, and \$566 billion in the first quarter of 2000, according to Thomson Financial Securities Data. The first quarter of 2000 benefited from the AOL/Time Warner merger. However, global announced mergers and acquisitions remained strong for the first half of 2000 at \$1.7 trillion compared with \$1.5 trillion in the first half of 1999, due to both the buoyant first quarter and strong levels of merger activity in Europe.

Merrill Lynch continually evaluates its businesses for profitability and performance under varying market conditions and, in light of the evolving conditions in its competitive environment, for alignment with its long-term strategic objectives. Maintaining long-term client relationships, closely monitoring costs and risks, diversifying revenue sources, and expanding strategically, all contribute to mitigating the effects of market volatility on Merrill Lynch's business as a whole.

RESULTS OF OPERATIONS

INCREASE VERSUS	FOR THE THREE MONTHS ENDED			%
	JUNE 30, 2000	MARCH 31, 2000	JUNE 25, 1999	2Q00 1Q00
(dollars in millions, except per share amounts)				
<S>	<C>	<C>	<C>	<C>
<C>				
Total revenues	\$10,899	\$11,026	\$8,630	(1) %
26%				
Net revenues	6,697	7,247	5,440	(8)
23				
Pre-tax earnings	1,378	1,575	1,031	(13)
34				
Net earnings	902	1,037	673	(13)
34				
Net earnings applicable to common stockholders	892	1,028	664	(13)
34				
Earnings per common share				
Basic	2.29	2.69	1.80	(15)
27				



Diluted 28	2.01	2.38	1.57	(16)
Annualized return on average common stockholders' equity	24.3 %	31.1 %	25.4 %	
Effective tax rate	31.0	31.0	30.1	

</TABLE>

The following discussion compares the second quarters of 2000 and 1999 and, where deemed appropriate, contrasts the second and first quarters of 2000.

Merrill Lynch's 2000 second quarter net earnings were \$902 million, the second highest quarterly earnings ever, up 34% from the \$673 million reported in the 1999 second quarter, and down 13% from the record \$1.037 billion reported in the first quarter of 2000. Earnings per common share were \$2.29 basic and \$2.01 diluted, compared with \$1.80 basic and \$1.57 diluted in the 1999 second quarter.

Net revenues were \$6.7 billion, up 23% from the 1999 second quarter, as new highs were achieved in asset management and portfolio service fees, underwriting fees, and net interest income.

Annualized return on common equity was 24.3% in the second quarter of 2000. The pre-tax profit margin was 20.6%.

For the first half of 2000, net earnings reached a record \$1.9 billion, up 51% from the previous record of \$1.3 billion set in the first half of 1999. Year-to-date earnings per common share were \$4.98 basic and \$4.38 diluted, compared with \$3.45 basic and \$3.02 diluted in the comparable period a year ago. Annualized return on average common stockholders' equity was 27.6% for the first six months of 2000 versus 25.0% for the first six months of 1999.

Commissions revenues are summarized as follows:

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED			SIX MONTHS ENDED	
	JUNE 30,	JUNE 25,	%	JUNE 30,	JUNE 25,
(in millions)	2000	1999	INC. (DEC.)	2000	1999
INC. (DEC.)					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Listed and over-the-counter 20 %	\$ 903	\$ 914	(1) %	\$2,156	\$1,796
Mutual funds 25	525	469	12	1,186	952
Other 10	214	209	2	452	411
Total 20	\$1,642	\$1,592	3	\$3,794	\$3,159
	=====	=====		=====	=====

</TABLE>

Commissions revenues were \$1.6 billion, up 3% from the 1999 second quarter, primarily due to higher mutual fund sales. The growth in Unlimited Advantage (Service Mark) and other asset-priced services resulted in the shift of certain revenues previously recorded as commissions to asset management and portfolio service fees.

Net trading revenues, representing principal transactions revenues and related net interest, are presented in the table below. Interest revenue and expense amounts are based on management's assessment of the cost to finance trading positions, after consideration of the underlying liquidity of these positions.

Trading and related hedging and financing activities affect the recognition of both principal transactions revenues and net interest and dividend revenues. In assessing the profitability of its trading activities, Merrill Lynch aggregates net interest and principal transactions revenues. For financial reporting

purposes, however, realized and unrealized gains and losses on trading positions, including hedges, are recorded in principal transactions revenues. The net interest carry (i.e., the spread representing interest earned less financing costs) for trading positions, including hedges, is recorded either as principal transactions revenues or net interest revenues, depending on the nature of the specific instruments. Changes in the composition of trading inventories and hedge positions can cause the recognition of revenues within these categories to fluctuate.

<TABLE> <CAPTION>					
TRADING REVENUES	PRINCIPAL TRANSACTIONS REVENUES		NET INTEREST REVENUES		NET
	2000	1999	2000	1999	2000
(in millions) 1999					
<S> <C>					
SECOND QUARTER					
Equities and equity derivatives \$ 563	\$ 770	\$ 429	\$ 122	\$ 134	\$ 892
Debt and debt derivatives 722	650	635	103	87	753
Total \$1,285	\$1,420	\$1,064	\$ 225	\$ 221	\$1,645
FIRST HALF					
Equities and equity derivatives \$1,245	\$1,958	\$1,097	\$ 187	\$ 148	\$2,145
Debt and debt derivatives 1,646	1,249	1,412	241	234	1,490
Total \$2,891	\$3,207	\$2,509	\$ 428	\$ 382	\$3,635
</TABLE>					

Net trading revenues were \$1.6 billion, up 28% from \$1.3 billion in the 1999 second quarter primarily as a result of higher revenues from equities and equity derivatives.

Equities and equity derivatives net trading revenues were \$892 million, up 58% from the second quarter of 1999, primarily driven by an increase in global equity portfolio trading. Higher trading volume in U.S. and global equity markets also contributed to the year-over-year increase.

Debt and debt derivatives net trading revenues were \$753 million, up 4% from the second quarter a year ago, due to higher revenues from U.S. debt derivatives and mortgages, partially offset by lower revenues from global high-yield secondary trading.

Investment banking revenues were \$1.1 billion in the second quarter of 2000, up 20% from the second quarter a year ago.

A summary of Merrill Lynch's investment banking revenues follows:

<TABLE> <CAPTION>	
THREE MONTHS ENDED	SIX MONTHS ENDED

(in millions) % INC.	JUNE 30, 2000	JUNE 25, 1999	% INC.	JUNE 30, 2000	JUNE 25, 1999
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Underwriting	\$ 720	\$ 594	21%	\$1,343	\$1,021
32%					
Strategic advisory services	367	314	17	740	519
43					
Total	\$1,087	\$ 908	20	\$2,083	\$1,540
35					
	=====	=====		=====	=====

</TABLE>

Underwriting revenues rose 21% from the 1999 second quarter to reach a record \$720 million, led by strong equity underwriting. Merrill Lynch retained its position as leading underwriter of total debt and equity offerings in the U.S. and global markets during the second quarter of 2000. In addition, Merrill Lynch remained number one in U.S. and global debt underwriting. Merrill Lynch's underwriting market share information based on transaction value follows:

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED			
	JUNE 30, 2000		JUNE 25, 1999	
	MARKET SHARE	RANK	MARKET SHARE	RANK
<S>	<C>	<C>	<C>	<C>
U.S. PROCEEDS				
Debt	15.5 %	1	14.2 %	1
Equity	18.2	2	11.9	3
Debt and equity	15.8	1	14.0	1
GLOBAL PROCEEDS				
Debt	12.1	1	11.6	1
Equity	13.4	3	11.1	3
Debt and equity	12.2	1	11.7	1

</TABLE>

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

Strategic advisory services fees increased 17% from the 1999 second quarter to \$367 million, primarily as a result of higher levels of merger and acquisition activity during the quarter. Merrill Lynch's merger and acquisition market share information based on transaction value follows:

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED			
	JUNE 30, 2000		JUNE 25, 1999	
	MARKET SHARE	RANK	MARKET SHARE	RANK
<S>	<C>	<C>	<C>	<C>
COMPLETED TRANSACTIONS				
U.S.	42.9 %	2	23.1 %	3
Global	44.8	3	22.2	3
ANNOUNCED TRANSACTIONS				
U.S.	21.4	4	37.8	2
Global	15.0	6	32.4	2

</TABLE>

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

A summary of asset management and portfolio service fees is as follows:

<TABLE> <CAPTION>					
(in millions) % INC.	THREE MONTHS ENDED			SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	% INC.	JUNE 30, 2000	JUNE 25, 1999
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Asset management fees 15 %	\$ 597	\$ 545	10 %	\$1,235	\$1,070
Portfolio service fees 48	546	362	51	1,029	695
Account fees 4	133	130	2	268	257
Other fees 10	137	122	12	271	246
	-----	-----		-----	-----
Total 24	\$1,413	\$1,159	22	\$2,803	\$2,268
	=====	=====		=====	=====

</TABLE>

Asset management and portfolio service fees rose 22% from the 1999 second quarter to a new quarterly high of \$1.4 billion. Asset management fees increased 10% from a year ago, as a result of the continued growth in assets under management, which reached \$555 billion at the end of the second quarter of 2000. Excluding retail money market funds, which declined as a result of the implementation of Merrill Lynch's U.S. banking strategy, assets under management grew 11% from the second quarter of 1999. (For further information on the U.S. banking strategy, see Business Segments - Private Client Group.) This growth was attributable to a net inflow of customer assets as well as asset appreciation. Portfolio service fees increased 51% from the comparable period last year, as assets in asset-priced accounts continued to grow, driven by growth in Unlimited Advantage (Service Mark) and Merrill Lynch Consults (Registered Trademark). The majority of the revenues associated with these accounts is included in portfolio service fees, with the remainder in asset management fees.

Total assets in Private Client accounts or under management were \$1.8 trillion at the end of the second quarter of 2000, representing an increase of \$242 billion, or 16%, from the end of the second quarter a year ago. Assets under management, which are included in total assets in Private Client accounts or under management, totalled \$555 billion at the end of the second quarter of 2000, an increase of \$39 billion from the end of the second quarter last year, as discussed in the previous paragraph. The changes in these balances are noted as follows:

<TABLE> <CAPTION>				
(in billions)	NET CHANGES DUE TO			
	JUNE 25, 1999	NET NEW MONEY (1)	ASSET APPRECIATION (2)	JUNE 30, 2000
<S>	<C>	<C>	<C>	<C>
Total assets in Private Client accounts or under management	\$ 1,530	\$ 148	\$ 94	\$ 1,772
Total assets under management	516	21 (3)	18	555

</TABLE>

1. Includes reinvested dividends.
2. Includes foreign exchange translation adjustments of \$(10) billion.
3. Includes net outflows of retail money market funds due to the implementation of Merrill Lynch's U.S. banking strategy.

Other revenues were up 55% from the 1999 second quarter to \$272 million, primarily due to increased income from investments.

Significant components of interest and dividend revenues and interest expense follow:

<TABLE>

<CAPTION>

(in millions)	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
<S>	<C>	<C>	<C>	<C>
INTEREST AND DIVIDEND REVENUES				
Resale agreements and securities borrowed transactions	\$1,876	\$1,421	\$3,553	\$2,788
Trading assets	783	790	1,620	1,741
Margin lending	1,209	685	2,270	1,368
Dividends	326	235	452	315
Other	871	601	1,633	1,201
Total	5,065	3,732	9,528	7,413
INTEREST EXPENSE				
Repurchase agreements and securities loaned transactions	1,602	1,258	2,952	2,494
Borrowings	1,597	1,104	2,976	2,215
Trading liabilities	410	424	858	951
Other	593	404	1,195	831
Total	4,202	3,190	7,981	6,491
NET INTEREST AND DIVIDEND PROFIT	\$ 863	\$ 542	\$1,547	\$ 922

</TABLE>

Interest and dividend revenues and expenses are a function of the level and mix of interest-earning assets and interest-bearing liabilities and the prevailing level, term structure, and volatility of interest rates. Net interest and dividend profit was a record \$863 million in the second quarter of 2000, up 59% from the second quarter of 1999, mainly due to increased customer-lending balances, higher dividend revenues, and changes in asset/liability composition. (For further information on balance sheet composition, see Average Assets and Liabilities.)

Merrill Lynch hedges certain of its long- and short-term borrowings, primarily with interest rate and currency swaps, to better match the interest rate and currency characteristics of the borrowings to the assets funded by borrowing proceeds. The effect of this hedging activity, which is included in "Borrowings" in the previous table, increased/(decreased) interest expense by \$44 million and \$(87) million for the 2000 and 1999 second quarters, respectively, and by \$36 million and \$(165) million for the 2000 and 1999 six months, respectively.

Merrill Lynch's non-interest expenses are summarized below:

<TABLE>

<CAPTION>

MONTHS ENDED	THREE MONTHS ENDED			SIX
	JUNE 30, 2000	MARCH 31, 2000	JUNE 25, 1999	JUNE 30, 2000
JUNE 25, (in millions) 1999				

<S>	<C>	<C>	<C>	<C>
<C>				
Compensation and benefits	\$3,443	\$3,808	\$2,729	\$7,251
\$5,490				
	-----	-----	-----	-----
Non-interest expenses,				
excluding compensation and benefits:				
Communications and technology	579	578	536	1,157
1,016				
Occupancy and related depreciation	256	250	232	506
459				
Advertising and market development	262	244	201	506
353				
Brokerage, clearing, and exchange fees	196	192	170	388
324				
Professional fees	166	147	143	313
261				
Goodwill amortization	54	56	56	110
113				
Other	363	397	342	760
663				
	-----	-----	-----	-----
Total non-interest expenses,				
excluding compensation and benefits	1,876	1,864	1,680	3,740
3,189				
	-----	-----	-----	-----
Total non-interest expenses	\$5,319	\$5,672	\$4,409	\$10,991
\$8,679				
	=====	=====	=====	=====
Compensation and benefits				
as a percentage of net revenues	51.4%	52.5%	50.2%	52.0%
51.3%				
Compensation and benefits as a percentage of				
pre-tax earnings before compensation and benefits	71.4	70.7	72.6	71.1
73.0				
-----				
</TABLE>				

Non-interest expenses, excluding compensation costs, were virtually unchanged from the first quarter of 2000 and up 12% from the second quarter of 1999. These expenses were 28.0% of net revenues for the second quarter of 2000, down from 30.9% for the comparable quarter in 1999.

Compensation and benefits, the largest expense category, were \$3.4 billion, up 26% from the 1999 second quarter, as increased profitability led to higher incentive compensation, but down 10% from the first quarter of 2000. Compensation and benefits as a percentage of net revenues was 51.4% for the second quarter of 2000, compared to 50.2% in the second quarter last year and down from 52.5% in the previous quarter.

Communications and technology expenses were \$579 million, unchanged from the previous quarter. These expenses increased 8% from the 1999 second quarter, mainly due to higher technology-related depreciation and increased communication maintenance costs.

Occupancy and related depreciation expense was \$256 million in the second quarter of 2000, virtually unchanged from the first quarter of 2000 and up 10% from the comparable quarter a year ago.

Advertising and market development expense rose 7% from the previous quarter and 30% from the 1999 second quarter to \$262 million. The increases were due to higher business development expenses and sales promotion costs associated with increased business activity. In addition, higher advertising costs resulting from the launch of new products and corporate brand promotion contributed to the year-over-year increase.

Brokerage, clearing, and exchange fees of \$196 million for the second quarter remained unchanged from the first quarter and were up 15% from the first quarter a year ago, mainly due to increased transaction volume.

Professional fees were \$166 million, up 13% from the prior quarter and up 16% from the 1999 second quarter, primarily due to higher employment service fees, partially offset by lower consulting fees. In addition, higher legal fees contributed to the year-over-year increase.

Goodwill amortization was \$54 million in the second quarter of 2000, virtually unchanged from the first quarter of 2000 and the second quarter of 1999. Other expenses were \$363 million, down 9% from the preceding quarter and up 6% from the second quarter of last year.

The effective tax rate was 31.0% for the second and first quarters of 2000, compared to 30.1% in the second quarter of 1999. The effective tax rates for the first six months of 2000 and 1999 were 31.0% and 32.0%, respectively.

#### BUSINESS SEGMENTS

Merrill Lynch reports the results of its business within three business segments: Corporate and Institutional Client Group ("CICG"), Private Client Group ("PCG"), and Merrill Lynch Investment Managers ("MLIM"). CICG's activities primarily involve providing services to corporate, institutional, and governmental clients throughout the world. PCG provides investment, financing, insurance, tax, and other financial services and products to retail clients globally. MLIM provides investment management services to a wide variety of retail and institutional clients. For further information on services provided to clients within these segments, see the 1999 Form 10-K and the 1999 Annual Report included as an exhibit thereto.

Certain MLIM and CICG products are distributed by PCG distribution networks, and to a more limited extent, certain MLIM products are distributed through the distribution capabilities of CICG. Expenses and revenues associated with these intersegment activities are recognized in each segment and eliminated at the corporate level. Expenses of \$41 million and \$56 million for the 2000 and 1999 second quarters, and \$109 million and \$120 million for the 2000 and 1999 six months, respectively, were eliminated. Revenues of \$42 million and \$54 million for the 2000 and 1999 second quarters, and \$133 million and \$117 million for the 2000 and 1999 six months, respectively, were also eliminated. In addition, revenue sharing agreements for shared activities are in place and the results of each segment reflect the agreed upon portion of these activities. The segment operating results exclude certain corporate items, which reduced net earnings for the 2000 and 1999 second quarters by \$111 million and \$124 million, and the 2000 and 1999 six months by \$243 million and \$249 million, respectively. (See Note 3 to Consolidated Financial Statements - Unaudited.)

#### CORPORATE AND INSTITUTIONAL CLIENT GROUP

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
(in millions)				
<S>	<C>	<C>	<C>	<C>
Net revenues	\$3,179	\$2,386	\$6,559	\$4,691
Net earnings	713	482	1,510	954

</TABLE>

CICG posted strong results for the quarter in a less robust market environment. Net revenues were \$3.2 billion for the quarter, representing a 33% increase from the second quarter of 1999, and net earnings were \$713 million, up 48% from the 1999 second quarter. Equity markets had a particularly outstanding quarter, emphasized by growth in equity trading revenues worldwide. Equity underwriting revenues were also up from the second quarter of 1999, as Merrill Lynch's global market share increased to 13.4% from 11.1% in the second quarter of 1999, according to Thomson Financial Securities Data. The strategic advisory business also posted solid results for the quarter, due to the execution of numerous landmark merger and acquisition transactions, with revenues 17% above the second quarter of 1999. Revenues from the Debt Markets business were down from the second quarter of 1999, as rising interest rates during the quarter led to decreased industry-wide debt underwriting activity. Total global debt underwriting volume declined 24%, from \$816 billion in the 1999 second quarter to \$617 billion in the second quarter of 2000. Merrill Lynch retained its position as the leading underwriter of total debt and equity securities, both in the U.S. and globally, as well as the #1 position in U.S. and global debt underwriting, according to Thomson Financial Securities Data.

CICG continued to pursue several strategic initiatives during the quarter. A merger with Herzog, Heine, Geduld, Inc., the third largest Nasdaq market maker, was announced during the quarter. This transaction, which closed in July, will expand Merrill Lynch's market-making activity in Nasdaq and other over-the-counter stocks and enhance its global equity franchise. Merrill Lynch also collaborated with other financial firms to create BondBook LLC, an electronic bond trading system and TheMuniCenter, a web-based marketplace for municipal securities.

-----  
PRIVATE CLIENT GROUP  
-----

<TABLE>  
<CAPTION>

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
(in millions)				
<S>	<C>	<C>	<C>	<C>
Net revenues	\$2,992	\$2,628	\$6,380	\$5,225
Net earnings	216	241	517	469

</TABLE>

Net revenues for PCG were \$3.0 billion in the second quarter of 2000, up 14% from \$2.6 billion in the 1999 second quarter. In the U.S., net revenues for the second quarter were up 12% from the year ago period, and internationally, net revenues were up 26%, driven primarily by increased volumes of equity and mutual fund transactions. Net earnings for the quarter were \$216 million, down 10% from the 1999 second quarter, as a result of increased expenses. The decrease was due in part to an increase in headcount during the twelve months, as PCG's worldwide financial consultant force grew by 1,700. In July 2000, it was announced that actions were being taken to realign and strengthen the U.S. private client business, which would include both the reallocation and reduction of staff.

Total assets in U.S. client accounts remained essentially unchanged from the first quarter at \$1.4 trillion; net new money inflows were \$11 billion during the quarter. Outside the U.S., client assets were \$146 billion, with \$7 billion of net new money in the second quarter. Total assets in asset-priced accounts rose 3% from the first quarter to \$209 billion, an increase of 80% from the second quarter of 1999.

Unlimited Advantage, Merrill Lynch's total access fee-based account, continued to grow, with an increase in revenues of 25% compared with the first quarter of 2000. Client assets in Unlimited Advantage accounts reached \$90 billion at the end of the quarter. Additionally, client assets in ML Direct, the online investing service for self-directed investors, grew 28% during the quarter to \$2.7 billion in its second full quarter of operation. In the U.S., two-thirds of a million clients now have on-line access to their accounts through ML Online and ML Direct, compared with fewer than 250,000 a year ago. ML Direct was named as one of the "Best Online Brokers of 2000" by Money magazine, receiving four and a half out of five possible stars, and was praised as one of the "best values of all surveyed brokers" by Business Week.

As part of its U.S. Banking Strategy, in June of 2000 Merrill Lynch began to redirect cash inflows from certain Cash Management Accounts ("CMA") and other types of accounts from taxable money market funds included in assets under management, to bank deposits at Merrill Lynch banks. As a result, U.S. bank deposits included on the consolidated balance sheet grew to \$19 billion from \$3 billion at the end of the 1999 second quarter and \$7 billion at the end of the first quarter of 2000.

In April 2000, Merrill Lynch announced a 50/50 joint venture with HSBC to create the first global online banking and investment services company, serving individual customers outside the U.S. The rollout of the joint venture is on schedule, and is expected to launch in the United Kingdom before the end of the year.

-----  
MERRILL LYNCH INVESTMENT MANAGERS  
-----

<TABLE>  
<CAPTION>

THREE MONTHS ENDED	SIX MONTHS ENDED
-----	-----



(in millions)	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
<S>	<C>	<C>	<C>	<C>
Net revenues	\$602	\$536	\$1,212	\$1,022
Net earnings	84	74	155	108

</TABLE>

The asset management business was re-branded during the quarter as Merrill Lynch Investment Managers. Net revenues and net earnings for MLIM were \$602 million and \$84 million, respectively, in the second quarter of 2000, up 12% and 14% from \$536 million and \$74 million in the 1999 second quarter. Assets under management ended the quarter at \$555 billion, up 8% from the end of the 1999 second quarter. Excluding retail money market funds, which declined as a result of the implementation of the U.S. banking strategy, assets under management grew 11% from the same period last year. MLIM had net new money of \$18 billion in the quarter, excluding the retail money market outflows. Much of the new money during the quarter was attributable to Merrill Lynch Quantitative Advisors, which won sizable mandates from a number of New York City pension plans.

#### CAPITAL ADEQUACY AND LIQUIDITY

The primary objectives of Merrill Lynch's capital structure and funding policies are to:

1. Ensure sufficient equity capital to absorb losses,
2. Support the business strategies, and
3. Assure 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 1999 Annual Report included as an exhibit to Form 10-K.

Among U.S. institutions engaged primarily in the global securities business, Merrill Lynch is one of the most highly capitalized, with \$15.3 billion in common equity, \$425 million in preferred stock, and \$2.7 billion of preferred securities issued by subsidiaries at June 30, 2000. Preferred securities issued by subsidiaries consist primarily of Trust Originated Preferred Securities (Service Mark) ("TOPrS" (Service Mark)). Based on various analyses and criteria, management believes that Merrill Lynch's equity capital base of \$18.4 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		
June 30, 2000	19.2x	12.2x
December 31, 1999	21.1x	13.4x
AVERAGE (3)		
Six months ended June 30, 2000	21.0x	13.1x
Year ended December 31, 1999	23.2x	14.4x

</TABLE>

- (1) Total assets to total stockholders' equity and preferred securities issued by subsidiaries.
- (2) Total assets less (a) securities received as collateral, net of securities pledged as collateral, (b) securities pledged as collateral, and (c) receivables under resale agreements and securities borrowed transactions, 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.

billion at December 31, 1999, which was equal to 5.1% and 7.4% of total assets at June 30, 2000 and year-end 1999, respectively. This decrease was due in part to the U.S. banking strategy. Outstanding long-term borrowings increased to \$61.5 billion at June 30, 2000 from \$53.5 billion at December 31, 1999. Major components of the change in long-term borrowings during the first six months of 2000 follow:

<TABLE>  
<CAPTION>

-----  
(in billions)  
-----

<S>	<C>
Balance at December 31, 1999	\$53.5
Issuances	17.2
Maturities	(8.4)
Other, net	(0.8)
	-----
Balance at June 30, 2000 (1)	\$61.5
	=====

</TABLE>

(1) At June 30, 2000, \$45.1 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 core balance sheet assets. Other sources of liquidity include a committed, senior, unsecured bank credit facility that, at June 30, 2000, totalled \$8.0 billion and was not drawn upon. Additionally, Merrill Lynch maintains access to significant uncommitted credit lines, both secured and unsecured, from a large group of banks.

The cost and availability of unsecured financing generally are dependent on credit ratings. Merrill Lynch's senior long-term debt, preferred stock, and TOPrS were rated by several recognized credit rating agencies at June 30, 2000 as follows:

<TABLE>  
<CAPTION>

	SENIOR DEBT RATINGS	PREFERRED STOCK AND TOPrS RATINGS
RATING AGENCY		
<S>	<C>	<C>
Fitch	AA	AA-
Moody's Investors Service, Inc.	Aa3	aa3
Rating and Investment Information, Inc. (Japan)	AA	A+
Standard & Poor's	AA-	A
Thomson Financial BankWatch, Inc.	AA+	Not Rated

</TABLE>

-----  
AVERAGE ASSETS AND LIABILITIES  
-----

Merrill Lynch monitors changes in its balance sheet using average daily balances that are determined on a settlement date basis and reported for management information purposes. For financial statements and risk management purposes, balances are recorded on a trade date basis. The following discussion compares changes in settlement date average daily balances.

For the first six months of 2000, average total assets were \$361 billion, up 8% from \$333 billion for the 1999 fourth quarter. Average total liabilities increased 8% to \$344 billion from \$318 billion for the 1999 fourth quarter. The major components in the changes in average total assets and liabilities for the first six months of 2000 as compared with the fourth quarter of 1999 are summarized as follows:

<TABLE>  
<CAPTION>

-----  
(in millions)  
-----

INCREASE (DECREASE)

CHANGE  
-----

<S>	<C>	<C>
AVERAGE ASSETS		
Trading assets	\$ 9,593	9 %
Receivables under resale agreements and securities borrowed transactions	5,688	6
Customer receivables	5,246	11
Marketable investment securities	5,085	68
Securities pledged as collateral	(3,330)	(25)
AVERAGE LIABILITIES		
Trading liabilities	\$ 8,517	13 %
Commercial paper and other short-term borrowings	6,954	41
Customer payables	4,438	20
Long-term borrowings	3,673	7
Payables under repurchase agreements and securities loaned transactions	3,298	4
Demand and time deposits	2,902	18
-----		
</TABLE>		

During the first six months of 2000, trading assets and liabilities rose as volume increased, benefiting from higher customer demand. Additionally, securities borrowed and securities loaned transactions rose due to increased matched-book activity. Higher trading volume during the first six months, as compared with the fourth quarter of 1999, also caused an increase in the average customer receivable and payable balances. The growth in marketable investment securities was due to increased portfolio investments by Merrill Lynch's U.S. bank subsidiaries, resulting from the U.S. banking strategy. (For further information on the U.S. banking strategy, see Business Segments - Private Client Group.) In addition to the increase in securities loaned transactions, the growth in average assets was funded by an increase in commercial paper, demand and time deposits, and long-term borrowings, particularly medium-term notes.

#### ----- NON-INVESTMENT GRADE HOLDINGS -----

Non-investment grade holdings, which include transactions with highly leveraged counterparties, involve risks related to the creditworthiness of the issuers or counterparties and the liquidity of the market for such investments. Merrill Lynch recognizes these risks and, whenever possible, employs strategies to mitigate exposures. The specific components and overall level of non-investment grade 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 can either synthesize ownership of the underlying security (e.g., long total return swaps) or potentially force ownership of the underlying security (e.g., short put options). At June 30, 2000, Merrill Lynch had derivatives with notionals of \$2.0 billion with non-investment grade credit exposure. 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 seeks to manage these risks 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. At June 30, 2000, Merrill Lynch had derivatives with notionals of \$2.0 billion that hedged non-investment grade credit exposure.

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 syndicates 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 non-investment grade trading exposures:

<TABLE>  
 <CAPTION>

(in millions)	June 30, 2000	Dec. 31, 1999
<S>	<C>	<C>
Trading assets:		
Cash instruments	\$5,786	\$5,630
Derivatives	4,552	4,033
Trading liabilities - cash instruments	(834)	(997)
Collateral on derivative assets	(2,419)	(1,344)
Net trading asset exposure	\$7,085 =====	\$7,322 =====

</TABLE>

Among the trading exposures included in the preceding table are debt and equity securities and bank loans of companies in various stages of bankruptcy proceedings or in default. At June 30, 2000, the carrying value of such debt and equity securities totaled \$259 million, of which 98% resulted from Merrill Lynch's market-making activities in such securities. This compared with \$133 million at December 31, 1999, of which 89% related to market-making activities. Also included are distressed bank loans with a carrying value totaling \$120 million and \$86 million at June 30, 2000 and December 31, 1999, respectively.

-----  
 NON-TRADING EXPOSURES  
 -----

The following table summarizes Merrill Lynch's non-investment grade non-trading exposures:

<TABLE>  
 <CAPTION>

(in millions)	JUNE 30, 2000	DEC. 31, 1999
<S>	<C>	<C>
Marketable investment securities	\$ 256	\$ 58
Investments of insurance subsidiaries	119	108
Loans (net of allowance for loan losses):		
Bridge loans	190	68
Other loans (1)	1,758	1,331
Other investments:		
Partnership interests (2)	1,267	1,368
Other equity investments (3)	288	369

</TABLE>

- (1) Represents outstanding loans to 124 and 115 companies at June 30, 2000 and December 31, 1999, respectively.
- (2) Includes \$604 million and \$599 million in investments at June 30, 2000 and December 31, 1999, respectively, related to deferred compensation plans, for which the default risk of the investments generally rests with the participating employees.
- (3) Includes investments in 60 and 62 enterprises at June 30, 2000 and December 31, 1999, respectively.

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

<TABLE>  
<CAPTION>

(in millions)	JUNE 30, 2000	DEC. 31, 1999
<S>	<C>	<C>
Additional commitments to invest in partnerships	\$ 304	\$ 200
Unutilized revolving lines of credit and other lending commitments	3,562 (1)	2,462

</TABLE>

(1) Subsequent to the end of the second quarter, these commitments were reduced by \$465 million.

30

<TABLE>  
<CAPTION>

STATISTICAL DATA

	2ND QTR.	3RD QTR.	4TH QTR.	1ST QTR.
	1999	1999	1999	2000
2ND QTR.				
2000				
<S>	<C>	<C>	<C>	<C>
<C>				
CLIENT ASSETS (in billions):				
U.S. Client Assets	\$ 1,245	\$ 1,212	\$ 1,360	\$ 1,446
\$ 1,436				
Non-U.S. Client Assets	285	302	336	345
336				
Total Assets in Private Client Accounts or Under Management	\$ 1,530	\$ 1,514	\$ 1,696	\$ 1,791
\$ 1,772				
ASSETS UNDER MANAGEMENT(1):	\$ 516	\$ 514	\$ 557	\$ 568
\$ 555				
Retail	268	268	280	291
271				
Institutional	248	246	277	277
284				
Equity	272	271	307	310
316				
Fixed-Income	102	100	99	100
100				
Money Market	142	143	151	158
139				
U.S.	310	304	324	333
328				
Non-U.S.	206	210	233	235
227				
ASSETS IN ASSET-PRICED ACCOUNTS	\$ 116	\$ 131	\$ 168	\$ 203
\$ 209				

UNDERWRITING:

Global Debt and Equity:

Volume (in billions)	\$ 107	\$ 108	\$ 85	\$ 103
\$ 88				
Market Share	11.7%	13.5%	13.9%	11.3%
12.2%				
U.S. Debt and Equity:				
Volume (in billions)	\$ 83	\$ 86	\$ 67	\$ 83
\$ 71				
Market Share	14.0%	16.8%	16.7%	14.3%

15.8%				
-----				
-----				
FULL-TIME EMPLOYEES:				
U.S.	46,700	48,000	49,000	50,100
51,500				
Non-U.S.	17,300	18,000	18,200	18,500
19,200				
-----				
Total	64,000	66,000	67,200	68,600
70,700				
=====				
Financial Consultants and				
Other Investment Professionals	18,400	18,700	19,000	19,400
20,200				
-----				
-----				
INCOME STATEMENT:				
Net Earnings (in millions)	\$ 673	\$ 572	\$ 764	\$ 1,037
\$ 902				
Annualized Return on Average				
Common Stockholders' Equity	25.4%	20.2%	23.8%	31.1%
24.3%				
Earnings per Common Share:				
Basic	\$ 1.80	\$ 1.52	\$ 2.03	\$ 2.69
\$ 2.29				
Diluted	1.57	1.34	1.80	2.38
2.01				
-----				
-----				
BALANCE SHEET (in millions):				
Total Assets	\$324,740	\$ 312,936	\$328,071	\$363,944
\$355,108				
Total Stockholders' Equity	11,446	12,100	12,802	14,467
15,727				
Book Value Per Common Share	29.87	31.49	33.20	36.37
39.04				
-----				
-----				
SHARE INFORMATION (in thousands):				
Weighted-Average Shares Outstanding:				
Basic	368,273	370,347	371,962	381,641
389,077				
Diluted	421,267	419,090	420,603	432,372
443,665				
Common Shares Outstanding	368,960	370,777	372,839	386,071
391,974				
-----				
-----				

</TABLE>

(1) Certain prior period amounts have been restated to conform to the current period presentation.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

JAS SECURITIES LITIGATION. The JAS Securities Litigation case described in ML & Co.'s 1999 Form 10-K and Form 10-Q for the 2000 first quarter has been settled for \$8.9 million, subject to execution of a definitive settlement agreement and court approval.

SUMITOMO CORPORATION LITIGATION. Merrill Lynch paid Sumitomo Corporation \$275 million plus legal fees, and Sumitomo released Merrill Lynch from any claims stemming from losses in connection with unauthorized copper trading. Merrill Lynch had substantially provided for the settlement, which did not have a material impact on the earnings reported in the second quarter of 2000. The settlement was previously reported in ML & Co.'s Form 8-K dated May 24, 2000.

Both the JAS Securities Litigation and Sumitomo Corporation Litigation were settled without an adjudication of the merits of the claims and Merrill Lynch denied liability in connection with the settlements.

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

-----

ML & Co. has issued unregistered common stock in connection with the Herzog, Heine, Geduld, Inc. ("Herzog") merger described in Note 8 to the Consolidated Financial Statements - Unaudited in this report. Under the merger agreement, ML & Co. acquired all of the outstanding common stock of Herzog and each Herzog shareholder is entitled to receive 141.87751 shares of ML & Co. common stock for each Herzog share. A total of 8,550,300 shares of ML & Co. common stock will be issued to the Herzog shareholders. Of this amount, 8,466,597 shares were issued on July 14, 2000, and 83,703 shares will be issued upon receipt of required documents from certain Herzog shareholders. The ML & Co. common stock was issued in accordance with Rule 506 of Regulation D in transactions not involving any public offering within the meaning of Section 4(2) of the Securities Act of 1933. There is no underwriter for the shares sold to the Herzog shareholders. ML & Co. plans to file a registration statement under the Securities Act of 1933 to register the resale of the ML & Co. shares by the Herzog shareholders.

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

-----

On April 18, 2000, ML & Co. held its Annual Meeting of Stockholders. Further details concerning matters submitted for stockholder vote can be found in ML & Co.'s Quarterly Report on Form 10-Q for the 2000 first quarter.

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.

- (11) Statement re: computation of per common share earnings.
- (12) Statement re: computation of ratios.
- (15) Letter re: unaudited interim financial information.
- (27) Financial Data Schedule.

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(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed by ML & Co. with the Securities and Exchange Commission during the quarterly period covered by this Report:

- (i) Current Report dated April 17, 2000 for the purpose of filing the Preliminary Unaudited Earnings Summary of ML & Co. for the three-month period ended March 31, 2000.
- (ii) Current Report dated May 3, 2000 for the purpose of filing the Preliminary Unaudited Consolidated Balance Sheet of ML & Co. as of March 31, 2000.
- (iii) Current Report dated May 24, 2000 for the purpose of announcing the resolution of issues between Merrill Lynch and Sumitomo Corporation concerning losses sustained by Sumitomo in connection with unauthorized copper trading.
- (iv) Current Report dated June 29, 2000 for the purpose of filing the form of ML & Co.'s S&P 500 Market Index Target-Term Securities (Registered Trademark) due June 29, 2007.

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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.

-----  
(Registrant)

Date: August 11, 2000

By: /s/ Thomas H. Patrick

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

INDEX TO EXHIBITS

Exhibits

- |    |   |
|----|---|
| 11 | Statement re: computation of per common share earnings. |
| 12 | Statement re: computation of ratios.                    |
| 15 | Letter re: unaudited interim financial information.     |
| 27 | Financial Data Schedule.                                |



<TABLE>  
<CAPTION>

EXHIBIT 11

MERRILL LYNCH & CO., INC. AND SUBSIDIARIES  
COMPUTATION OF EARNINGS PER COMMON SHARE  
(in millions, except per share amounts)

MONTHS ENDED -----	FOR THE THREE MONTHS ENDED -----		FOR THE SIX -----
	JUNE 30, 2000 -----	JUNE 25, 1999 -----	JUNE 30, 2000 -----
<S> <C>	<C>	<C>	<C>
EARNINGS			
Net earnings \$1,282	\$ 902	\$ 673	\$1,939
Preferred stock dividends (19)	(10)	(9)	(19)
-----	-----	-----	-----
Net earnings applicable to common stockholders \$1,263	\$ 892	\$ 664	\$1,920
=====	=====	=====	=====
WEIGHTED-AVERAGE SHARES OUTSTANDING 366.2	389.1	368.3	385.4
-----	-----	-----	-----
EFFECT OF DILUTIVE INSTRUMENTS			
Employee stock options 30.4	32.9	31.0	31.9
FCCAAP shares 16.6	14.7	16.7	14.4
Restricted units 5.2	7.0	5.3	6.3
ESPP shares .1	-	-	-
-----	-----	-----	-----
DILUTIVE POTENTIAL COMMON SHARES 52.3	54.6	53.0	52.6
-----	-----	-----	-----
TOTAL WEIGHTED-AVERAGE DILUTED SHARES 418.5	443.7	421.3	438.0
=====	=====	=====	=====
BASIC EARNINGS PER SHARE \$ 3.45	\$ 2.29	\$ 1.80	\$ 4.98
=====	=====	=====	=====
DILUTED EARNINGS PER SHARE \$ 3.02	\$ 2.01	\$ 1.57	\$ 4.38
=====	=====	=====	=====

Basic and diluted earnings per share are based on actual numbers before rounding.

</TABLE>

<TABLE>  
<CAPTION>

EXHIBIT 12

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

	FOR THE THREE MONTHS ENDED		FOR THE SIX MONTHS ENDED	
	JUNE 30, 2000	JUNE 25, 1999	JUNE 30, 2000	JUNE 25, 1999
-	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Pre-tax earnings from continuing operations	\$ 1,378	\$ 1,031	\$ 2,953	\$ 2,027
Add: Fixed charges (excluding capitalized interest and preferred security dividend requirements of subsidiaries)	4,256	3,243	8,094	6,595
-	-----	-----	-----	-----
Pre-tax earnings before fixed charges	5,634	4,274	11,047	8,622
	=====	=====	=====	=====
Fixed charges:				
Interest	4,193	3,183	7,966	6,475
Other (a)	115	110	233	220
-	-----	-----	-----	-----
Total fixed charges	4,308	3,293	8,199	6,695
	=====	=====	=====	=====
Preferred stock dividends	14	14	28	28
-	-----	-----	-----	-----
Total combined fixed charges and preferred stock dividends	\$ 4,322	\$ 3,307	\$ 8,227	\$ 6,723
	=====	=====	=====	=====
Ratio of earnings to fixed charges	1.31	1.30	1.35	1.29
Ratio of earnings to combined fixed charges and preferred stock dividends	1.30	1.29	1.34	1.28

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

</TABLE>

August 11, 2000

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

We have made a review, in accordance with standards established by the American Institute of Certified Public Accountants, of the unaudited interim condensed consolidated financial information of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of June 30, 2000 and for the three- and six-month periods ended June 30, 2000 and June 25, 1999, as indicated in our report dated August 11, 2000; because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended June 30, 2000, 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)

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

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)

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  
August 11, 2000

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<FN>

<F1> Includes \$12,292 of securities received as collateral, net of securities pledged as collateral, and \$9,818 of securities pledged as collateral, recorded pursuant to the provisions of Statement of Financial Accounting Standards No. 127 ("SFAS No. 127").

<F2> Includes \$22,110 of obligation to return securities received as collateral, recorded pursuant to the provisions of SFAS No. 127.

<F3> Includes \$2,722 of Preferred Securities issued by Subsidiaries.

</FN>

</TABLE>