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	March 26, 2004
Commission File Number	1-7182

MERRILL LYNCH & CO., INC.

(Exact name of registrant as specified in its charter)

Delaware	13-2740599
(State of incorporation)	(I.R.S. Employer Identification No.)
4 World Financial Center New York, New York	10080
(Address of principal executive offices)	(Zip Code)

(212) 449-1000

Registrant's telephone number, including area code

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

YES X NO

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

YES X NO

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

958,115,321 shares of Common Stock and 2,874,972 Exchangeable Shares as of the close of business on April 27, 2004. 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.

MERRILL LYNCH & CO., INC. QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 26, 2004
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Available Information

ML & Co.'s internet address is www.ml.com. ML & Co. makes available, free of charge, our proxy statements, annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. Investors can find this information under "SEC Filings" through the investor relations section of our website which can be accessed directly at www.ir.ml.com. These reports are available through our website as soon as reasonably practicable after ML & Co. electronically files such material with, or furnishes it to, the Securities and Exchange Commission ("SEC"). Additionally, Merrill Lynch's Corporate Governance Guidelines, Guidelines for Business Conduct, Code of Ethics for Financial Professionals and charters for the committees of our Board of Directors have been filed as exhibits to SEC reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and are also available on Merrill Lynch's Investor Relations website at www.ir.ml.com. The information on Merrill Lynch's websites is not incorporated by reference into this report. Shareholders may obtain copies of these materials, free of charge, upon written request to Judith A. Witterschein, Corporate Secretary, Merrill Lynch & Co., Inc., 222 Broadway, 17th Floor, New York, NY 10038-2510.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

<TABLE>
<CAPTION>

For the Three Months Ended

(in millions, except per share amounts)	Mar. 26, 2004	Mar. 28, 2003(1)	Percent Inc. (Dec.)
<S>	<C>	<C>	<C>
NET REVENUES			
Asset management and portfolio service fees	$ 1,315	$ 1,127	16.7 %
Commissions	1,361	1,069	27.3
Principal transactions	1,046	1,025	2.0
Investment banking	837	493	69.8
Other	367	213	72.3
Subtotal	4,926	3,927	25.4
Interest and dividend revenues	3,061	3,005	1.9
Less interest expense	1,897	2,128	(10.9)
Net interest profit	1,164	877	32.7
TOTAL NET REVENUES	6,090	4,804	26.8
NON-INTEREST EXPENSES			
Compensation and benefits	3,047	2,561	19.0
Communications and technology	341	403	(15.4)
Occupancy and related depreciation	217	216	0.5
Brokerage, clearing, and exchange fees	204	170	20.0
Advertising and market development	122	121	0.8
Professional fees	177	144	22.9
Office supplies and postage	51	58	(12.1)
Other	239	222	7.7
TOTAL NON-INTEREST EXPENSES	4,398	3,895	12.9
EARNINGS BEFORE INCOME TAXES	1,692	909	86.1
Income tax expense	440	266	65.4
NET EARNINGS	$ 1,252	$ 643	94.7
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	$ 1,242	$ 634	95.9
EARNINGS PER COMMON SHARE			
Basic	$ 1.34	$ 0.71	
Diluted	$ 1.22	$ 0.67	
DIVIDEND PAID PER COMMON SHARE	$ 0.16	$ 0.16	
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE			
Basic	930.2	887.6	
Diluted	1019.7	941.9	

(1) Prior period amounts have been restated to reflect the retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 2.

See Notes to Condensed Consolidated Financial Statements.
</TABLE>

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

<TABLE>
<CAPTION>

(dollars in millions)	Mar. 26, 2004	Dec. 26, 2003(1)
<S>	<C>	<C>
ASSETS		
CASH AND CASH EQUIVALENTS	$ 12,530	$ 10,150
CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES OR DEPOSITED WITH CLEARING ORGANIZATIONS	14,514	15,171
SECURITIES FINANCING TRANSACTIONS		
Receivables under resale agreements	76,743	71,756
Receivables under securities borrowed transactions	51,076	45,472
	127,819	117,228
TRADING ASSETS, AT FAIR VALUE (includes securities pledged as collateral of $21,070 in 2004 and $23,146 in 2003)		
Contractual agreements	37,548	37,196
Corporate debt and preferred stock	25,159	22,459
Equities and convertible debentures	24,870	23,170
Non-U.S. governments and agencies	20,490	15,991
Mortgages, mortgage-backed, and asset-backed	19,857	20,508
U.S. Government and agencies	10,163	10,408
Municipals and money markets	3,653	4,577
	141,740	134,309
INVESTMENT SECURITIES (includes securities pledged as collateral of $7,977 in 2004 and $6,608 in 2003)	79,866	74,809
SECURITIES RECEIVED AS COLLATERAL	8,307	9,156
OTHER RECEIVABLES		
Customers (net of allowance for doubtful accounts of $54 in 2004 and $60 in 2003)	39,065	36,955
Brokers and dealers	9,894	7,346
Interest and other	11,498	11,144
	60,457	55,445
LOANS, NOTES, AND MORTGAGES (net of allowances of $308 in 2004 and $318 in 2003)	49,949	50,993
SEPARATE ACCOUNTS ASSETS	17,200	17,034
EQUIPMENT AND FACILITIES (net of accumulated depreciation and amortization of $5,022 in 2004 and $5,054 in 2003)	2,598	2,612
GOODWILL	4,922	4,814

OTHER ASSETS	5,095	4,595
TOTAL ASSETS	$524,997	$496,316

</TABLE>

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

<TABLE>
<CAPTION>

(dollars in millions, except per share amount)	Mar. 26, 2004	Dec. 26, 2003(1)
LIABILITIES		
SECURITIES FINANCING TRANSACTIONS		
Payables under repurchase agreements	$ 99,531	$ 96,138
Payables under securities loaned transactions	20,400	11,081
	119,931	107,219
COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS	4,636	5,000
DEPOSITS	78,126	79,457
TRADING LIABILITIES, AT FAIR VALUE		
Contractual agreements	45,628	43,353
U.S. Government and agencies	16,739	15,323
Non-U.S. governments and agencies	14,452	12,066
Equities and convertible debentures	12,126	10,793
Corporate debt, municipals and preferred stock	9,649	7,798
	98,594	89,333
Obligation to return securities received as collateral	8,307	9,156
Other payables		
Customers	30,773	28,859
Brokers and dealers	12,073	19,109
Interest and other	21,709	22,344
	64,555	70,312
LIABILITIES OF INSURANCE SUBSIDIARIES	3,351	3,353
SEPARATE ACCOUNTS LIABILITIES	17,200	17,034
LONG-TERM BORROWINGS	96,908	83,299
LONG-TERM DEBT ISSUED TO TOPRSSM PARTNERSHIPS	3,202	

		3,203
	--------	--------
TOTAL LIABILITIES	494,810	467,366
	--------	--------
STOCKHOLDERS' EQUITY		
PREFERRED STOCKHOLDERS' EQUITY (42,500 shares issued and outstanding, liquidation preference $10,000 per share)	425	425
	--------	--------
COMMON STOCKHOLDERS' EQUITY		
Shares exchangeable into common stock	42	43
Common stock (par value $1.33 1/3 per share; authorized: 3,000,000,000 shares; issued: 2004 - 1,088,230,010 shares; 2003 - 1,063,205,274 shares)	1,451	1,417
Paid-in capital	11,860	10,676
Accumulated other comprehensive loss (net of tax)	(488)	(551)
Retained earnings	19,847	18,758
	--------	--------
	32,712	30,343
Less: Treasury stock, at cost (2004 - 124,426,365 shares; 2003 - 117,294,392 shares)	1,707	1,195
Unamortized employee stock grants	1,243	623
	--------	--------
TOTAL COMMON STOCKHOLDERS' EQUITY	29,762	28,525
	--------	--------
TOTAL STOCKHOLDERS' EQUITY	30,187	28,950
	--------	--------
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$524,997	$496,316
	========	========

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(1) Prior period amounts have been restated to reflect the retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 2.

See Notes to Condensed Consolidated Financial Statements
</TABLE>

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

<TABLE>
<CAPTION>

	For the Three Months Ended	
(dollars in millions)	Mar. 26, 2004	Mar. 28, 2003(1)
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 1,252	$ 643
Noncash items included in earnings:		
Depreciation and amortization	125	148
Policyholder reserves	36	40
Stock compensation plan expense	136	233
Deferred taxes	70	417
Undistributed (earnings) loss from equity investments	(99)	2
Other	(175)	51
Changes in operating assets and liabilities:		
Trading assets	(7,485)	(2,923)
Cash and securities segregated for regulatory purposes or deposited with clearing organizations	243	(210)
Receivables under resale agreements	(4,976)	(3,141)

Receivables under securities borrowed transactions	(5,604)	(2,524)
Customer receivables	(2,104)	(699)
Brokers and dealers receivables	(2,548)	-
Trading liabilities	7,133	6,513
Payables under repurchase agreements	3,393	(100)
Payables under securities loaned transactions	9,319	1,002
Customer payables	1,914	(172)
Brokers and dealers payables	(7,036)	5,217
Other, net	(2,344)	(1,459)
Cash provided by (used for) operating activities	(8,750)	3,038
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments for):		
Maturities of available-for-sale securities	6,228	6,200
Sales of available-for-sale securities	5,143	15,277
Purchases of available-for-sale securities	(14,375)	(15,805)
Maturities of held-to-maturity securities	44	39
Purchases of held-to-maturity securities	(82)	(203)
Loans, notes, and mortgages	1,054	245
Other investments and other assets	(381)	(1,387)
Equipment and facilities	(111)	(173)
Cash provided by (used for) investing activities	(2,480)	4,193
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for):		
Commercial paper and other short-term borrowings	(364)	(1,844)
Deposits	(1,331)	41
Issuance and resale of long-term borrowings	18,302	5,863
Settlement and repurchases of long-term borrowings	(4,809)	(7,311)
Derivative financing transactions	2,128	-
Issuance of common stock	326	117
Treasury stock repurchases	(502)	-
Other common stock transactions	23	(24)
Dividends	(163)	(152)
Cash provided by (used for) financing activities	13,610	(3,310)
Increase in cash and cash equivalents	2,380	3,921
Cash and cash equivalents, beginning of period	10,150	10,211
Cash and cash equivalents, end of period	$ 12,530	$ 14,132
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Income taxes	$ 105	$ 30
Interest	1,765	2,031

(1) Prior period amounts have been restated to reflect the retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 2.

See Notes to Condensed Consolidated Financial Statements

</TABLE>

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For a complete discussion of Merrill Lynch's accounting policies, refer to the Annual Report included as an exhibit to Form 10-K for the year ended December 26, 2003 ("2003 Annual Report").

Basis of Presentation

The Condensed Consolidated Financial Statements include the accounts of Merrill Lynch & Co., Inc. ("ML & Co.") and subsidiaries (collectively, "Merrill Lynch"), whose subsidiaries are generally controlled through a majority voting interest but may be controlled by means of a significant minority ownership, by contract, lease or otherwise. In certain cases, Merrill Lynch subsidiaries (i.e., Variable Interest Entities ("VIEs")) may also be consolidated based on a risks and rewards approach as required by Financial Accounting Standards Board ("FASB") Revised Interpretation No. ("FIN") 46R. All material intercompany balances have been eliminated. The interim condensed consolidated financial statements for the three-month periods are unaudited; however, in the opinion of Merrill Lynch management, all adjustments (consisting of normal recurring accruals) necessary for a fair statement of the condensed consolidated financial statements have been included.

These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements included in the 2003 Annual Report. The December 26, 2003 restated unaudited Condensed Consolidated Balance Sheet was derived from the audited 2003 consolidated financial statements. The nature of Merrill Lynch's business is such that the results of any interim period are not necessarily indicative of results for a full year. In presenting the Condensed Consolidated Financial Statements, management makes estimates that affect the reported amounts and disclosures in the financial statements. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ from those estimates and could have a material impact on the Condensed Consolidated Financial Statements, and it is possible that such changes could occur in the near term. Certain reclassifications have been made to prior period financial statements, where appropriate, to conform to the current period presentation.

New Accounting Pronouncements

On January 12, 2004, the FASB issued a final FASB Staff Position ("FSP") 106-1, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 which addresses the Medicare Prescription Drug Improvement and Modernization Act of 2003 ("the Act") that was signed into law on December 8, 2003. FSP 106-1 permits a sponsor of a postretirement health care plan that provides a prescription drug benefit to make a one-time election to defer accounting for the effects of the Act. At December 26, 2003, Merrill Lynch elected to defer accounting for the effects of the Act, and as a result any measures of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost in the financial statements or accompanying notes do not reflect the effects of the Act on the plan. Furthermore, at March 26, 2004, specific authoritative guidance on the accounting for the federal subsidy is pending, and that guidance, when issued, could require Merrill Lynch to change previously reported information. Merrill Lynch will assess the impact on the Condensed Consolidated Financial Statements when the final guidance is issued.

On December 23, 2003, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 132 (revised 2003), Employers' Disclosures about Pensions and Other Postretirement Benefits. The revised SFAS No. 132 retains the disclosure requirements in the original statement and requires additional disclosures about pension plan assets, benefit obligations, cash flows, benefit costs and other relevant information. Merrill Lynch adopted the provisions of SFAS No. 132 as of December 26, 2003. See Note 12 to the Condensed Consolidated Financial Statements for these disclosures.

In December of 2003, the American Institute or Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-3, Accounting for Certain Loans or Debt Securities Acquired in a Transfer. SOP 03-3 addresses revenue recognition and impairment assessments for certain loans and debt securities that were purchased at a discount that was at least in part due to credit quality. SOP 03-3 states that where expected cash flows from the loan or debt security can be reasonably estimated, the difference between the purchase price and the expected cash flows (i.e., the "accretable yield") should be accreted into income. In instances where the cash flows or the timing of the cash flows cannot be reasonably estimated, income on the loan or debt security may not be accreted. In addition, the SOP prohibits the recognition of a reserve for impairment on the purchase date. Further, the SOP requires that the allowance for loan losses be supported through a cash flow analysis, on either an individual or on a pooled basis, for all loans that fall within the scope of the guidance. Merrill Lynch will adopt SOP 03-3 as of the beginning of fiscal year 2005 and is currently assessing the potential impact on the Condensed Consolidated Financial Statements.

On July 7, 2003, the AICPA issued SOP 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP was effective for financial statements for Merrill Lynch beginning in 2004. The SOP required the establishment of a liability for contracts that contain death or other insurance benefits using a specified reserve methodology that is different from the methodology that Merrill Lynch used to employ. The adoption of SOP 03-1 resulted in an additional $45 million of pre-tax expense in the first quarter of 2004.

On January 17, 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), which clarifies when an entity should consolidate another entity known as a VIE, and on December 24, 2003 the FASB issued a revised standard ("FIN 46R"). A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties, and may include many types of SPEs. FIN 46R requires that an entity consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses, receive a majority of the

VIE's expected residual returns, or both. FIN 46R does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. As permitted by the transition guidance in FIN 46R, Merrill Lynch adopted the revised standard on an entity-by-entity basis. At December 26, 2003, Merrill Lynch applied FIN 46R to all VIEs with which it is involved, with the exception of those VIEs that issue Merrill Lynch Trust Originated Preferred Securities ("TOPrSSM"). The adoption of FIN 46R at December 26, 2003 was reported as a cumulative effect of a change in accounting principle and did not have a material effect on the Consolidated Financial Statements. As of March 26, 2004, Merrill Lynch applied FIN 46R to those VIEs that issue TOPrSSM. As a result, these VIEs were deconsolidated. The deconsolidation of TOPrSSM did not have a material impact on the Condensed Consolidated Financial Statements of Merrill Lynch and was reported by retroactively restating prior period financial statements. See Note 6 to the Condensed Consolidated Financial Statements for additional FIN 46R disclosure.

NOTE 2. CHANGE IN ACCOUNTING FOR STOCK-BASED COMPENSATION

On December 31, 2002 the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123, Accounting for Stock-Based Compensation. Effective for the first quarter of 2004, Merrill Lynch adopted the fair value method of accounting for stock-based accounting under SFAS No. 123, using the retroactive restatement method described in SFAS No.148. Under the fair value recognition provisions of SFAS No. 123, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. The December 26, 2003 Condensed Consolidated Balance Sheet has been restated for the retroactive adoption of the fair value recognition provisions of SFAS No. 123. Accordingly, the December 26, 2003 Condensed Consolidated Balance Sheet reflects a $4.0 billion increase in paid-in capital, a $2.7 billion decrease in retained earnings, and a $1.3 billion increase in deferred income tax assets. During the first quarter of 2004 and 2003, $59 million and $65 million, respectively, of stock option compensation expense was recorded in earnings. See Note 15 to the 2003 Annual Report for additional information related to stock-based compensation.

NOTE 3. OTHER SIGNIFICANT EVENTS

Restructuring and Other Charges

During the fourth quarter of 2001, Merrill Lynch's management formally committed to a restructuring plan designed to position Merrill Lynch for improved profitability and growth, which included the resizing of selected businesses and other structural changes. As a result, Merrill Lynch incurred a 2001 fourth quarter pre-tax charge to earnings of $2.2 billion, which included restructuring costs of $1.8 billion and other charges of $396 million. Utilization of the restructuring reserve at March 26, 2004 is as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Balance Dec. 26, 2003	Utilized in 2004	Balance March 26,2004
<S>	<C>	<C>	<C>
Category:			
Severance costs	$ 5	$ (2)	$ 3
Facilities costs	206	(15)	191
Other Costs	20	(8)(1)	12
	$ 231	$ (25)	$206

(1) Represents a change in estimate which was attributable to differences in actual costs from initial estimates in implementing the original restructuring plan.

</TABLE>

Note 4. Segment Information

In reporting to management, Merrill Lynch's operating results are categorized into three business segments: the Global Markets and Investment Banking Group ("GMI"), Global Private Client ("GPC") and Merrill Lynch Investment Managers ("MLIM"). Prior period amounts have been restated to conform to the current period presentation. For information on each segment's business activities, see the 2003 Annual Report.

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

	GMI	GPC	MLIM	Corporate Items	Total
<S>	<C>	<C>	<C>	<C>	<C>
Three Months Ended March 26, 2004					
Non-interest revenues	$ 2,361	$ 2,161	$ 407	$ (3)(1)	$ 4,926
Net interest profit(2)	874	339	5	(54)(3)	1,164
Net revenues	3,235	2,500	412	(57)	6,090
Non-interest expenses	2,120	1,990	301	(13)(1)	4,398
Pre-tax earnings (loss)	$ 1,115	$ 510	$ 111	$ (44)	$ 1,692
Quarter-end total assets	$449,467	$62,771	$7,263	$5,496	$524,997

	GMI	GPC	MLIM	Corporate Items	Total
Three Months Ended March 28, 2003					
Non-interest revenues	$ 1,822	$ 1,779	$ 330	$ (4)(1)	$ 3,927
Net interest profit(2)	635	324	7	(89)(3)	877
Net revenues	2,457	2,103	337	(93)	4,804
Non-interest expenses	1,708	1,854	298	35 (1)	3,895
Pre-tax earnings	$ 749	$ 249	$ 39	$ (128)	$ 909
Quarter-end total assets	$388,705	$59,157	$4,577	$4,935	$457,374

(1) Primarily represents the elimination of intersegment revenues and expenses.
(2) Management views interest income net of interest expense in evaluating results.
(3) Represents acquisition financing costs and other corporate interest, including the impact of TOPrSSM. See Note 6 for additional information on the impact of TOPrSSM.
</TABLE>

NOTE 5. INVESTMENT SECURITIES

Investment securities at March 26, 2004 and December 26, 2003 are presented below:
<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004	Dec. 26, 2003
<S>	<C>	<C>
Investment securities		
Available-for-sale (1)	$ 69,366	$ 66,121
Trading	5,676	4,798
Held-to-maturity	706	636
Non-qualifying (2)		
Deferred compensation hedges (3)	700	636
Other (4)	9,582	9,197
Total	$ 86,030	$ 81,388

(1) At March 26, 2004 and December 26, 2003, includes $6.2 billion and $6.6 billion, respectively, of investment securities reported in Cash and securities segregated for regulatory purposes or deposited with clearing organizations.
(2) Non-qualifying for SFAS No. 115 purposes.
(3) Represents investments economically hedging deferred compensation liabilities.
(4) Includes insurance policy loans, merchant banking investments, preferred stock, TOPrSSM investments, and other non-qualifying investments.
</TABLE>

NOTE 6. SECURITIZATION TRANSACTIONS AND TRANSACTIONS WITH SPECIAL PURPOSE ENTITIES (SPES)

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

Merrill Lynch securitized assets of $10.1 billion and $20.5 billion for the three months ended March 26, 2004 and March 28, 2003, respectively. For the three months ended March 26, 2004, and March 28, 2003, Merrill Lynch received $10.2 billion and $20.9 billion, respectively, of proceeds, and other cash inflows, from new securitization transactions, and recognized net securitization gains, excluding gains on related derivative transactions, of $33.9 million and $14.6 million, respectively in Merrill Lynch's Condensed Consolidated Statements of Earnings. Merrill Lynch generally records assets prior to securitization at fair value.

For the first three months of 2004 and 2003, cash inflows from securitizations related to the following asset types:

<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended	
	Mar. 26, 2004	Mar. 28, 2003
<S>	<C>	<C>
Asset category		
Residential mortgage loans	$ 7,629	$18,313
Municipal bonds	1,734	1,352
Corporate and government bonds	343	223
Commercial loans and other	470	1,010
	$10,176	$20,898

</TABLE>

Retained interests in securitized assets were approximately $2.4 billion and $2.7 billion at March 26, 2004 and December 26, 2003, respectively, which related primarily to residential mortgage loan and municipal bond securitization transactions. The majority of the retained interest balance consists of mortgage-backed securities that have observable market prices. These retained interests include mortgage-backed securities that Merrill Lynch has purchased and expects to sell to investors in the normal course of its underwriting activity. Approximately 65% and 64% at March 26, 2004 and December 26, 2003, respectively, of residential mortgage loan retained interests consists of interests in U.S. Government agency sponsored securitizations, which are guaranteed with respect to principal and interest. In addition, $692 million and $740 million at March 26, 2004 and December 26, 2003, respectively, of the retained interest balance relates to municipal bond transactions where observable market prices are available for the underlying assets, which provide the inputs and parameters used to calculate the fair value of the retained interest.

The following table presents information on retained interests, excluding the offsetting benefit of financial instruments used to hedge risks, held by Merrill Lynch as of March 26, 2004 arising from Merrill Lynch's residential mortgage loan, municipal bond and other securitization transactions. The sensitivities of the current fair value of the retained interests to immediate 10% and 20% adverse changes in those assumptions and parameters are also shown.

<TABLE>
<CAPTION>
(dollars in millions)

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
Retained interest amount	$ 1,684	$ 692	$ 21
Weighted average life (in years)	2.2	3.3	N/A
Range	0.0 - 20.0	0.1 - 6.7	N/A
Weighted average credit losses (rate per annum)	2.4%	0%	2.2%
Range	0.0 - 3.5%	0%	0.0 - 8.0%
Impact on fair value of 10% adverse change	$ (4)	$ -	$ -
Impact on fair value of 20% adverse change	$ (10)	$ -	$ (1)
Weighted average discount rate	6.5%	2.3%	19.2%
Range	0.0 - 147.4%	1.1 - 7.5%	4.5 - 25.0%
Impact on fair value of 10% adverse change	$ (7)	$ (51)	$ (1)
Impact on fair value of 20% adverse change	$ (13)	$ (96)	$ (1)
Weighted average prepayment speed (CPR)	19.5%	15.2%(1)	N/A
Range	12.5 - 55.0%	7.0 - 24.0%(1)	N/A
Impact on fair value of 10% adverse change	$ (14)	$ (1)	N/A
Impact on fair value of 20% adverse change	$ (27)	$ (2)	N/A

N/A=Not Applicable
CPR=Constant Prepayment Rate
(1) Relates to select securitization transactions where assets are prepayable.
</TABLE>

The preceding table does not include the offsetting benefit of financial instruments that Merrill Lynch utilizes to hedge risks including credit, interest rate, and prepayment risk that are inherent in the retained interests. Merrill Lynch employs hedging strategies that are structured to take into consideration the hypothetical stress scenarios above such that they would be effective in principally offsetting Merrill Lynch's exposure to loss in the event these scenarios occur. In addition, the sensitivity analysis is hypothetical and should be used with caution. In particular, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated independent of changes in any other assumption; in practice, changes in one factor may result in changes in another, which might magnify or counteract the sensitivities. Further, changes in fair value based on a 10% or 20% variation in an assumption or parameter generally cannot be extrapolated because the relationship of the change in the assumption to the change in fair value may not be linear. Also, the sensitivity analysis does not consider any hedging activity that Merrill Lynch may take to mitigate the impact of any adverse changes in the key assumptions.

The weighted average assumptions and parameters used initially to value retained interests relating to securitizations effected in 2004 that were still held by Merrill Lynch as of March 26, 2004 are as follows:

<TABLE>
<CAPTION>

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
Weighted average life (in years)	4.0	N/A	N/A
Credit losses (rate per annum)	0.2%	0%	0.8%
Weighted average discount rate	4.3%	3.1%	13.3%
Prepayment speed assumption (CPR)	17.9%	N/A	N/A

N/A=Not Applicable

CPR=Constant Prepayment Rate
</TABLE>

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

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

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

The maximum commitment under these liquidity and default guarantees totaled $17.2 billion and $17.0 billion at March 26, 2004 and December 26, 2003, respectively. The fair value of the commitments approximated $202 million and $126 million at March 26, 2004 and December 26, 2003, respectively, which is reflected in the Condensed Consolidated Financial Statements. Of these arrangements, $2.7 billion and $2.8 billion at March 26, 2004 and December 26, 2003, respectively, represent agreements where the guarantee is provided to the SPE by a third party financial intermediary and Merrill Lynch enters into a reimbursement agreement with the financial intermediary. In these arrangements, if the financial intermediary incurs losses, Merrill Lynch has up to one year to fund those losses. Additional information regarding these commitments is provided in Note 11 to the Condensed Consolidated Financial Statements and in Note 13 in the 2003 Annual Report.

The following table summarizes principal amounts outstanding, delinquencies, and net credit losses of securitized financial assets as of March 26, 2004 and December 26, 2003.
<TABLE>
<CAPTION>
(dollars in millions)

<S>	Residential Mortgage Loans <C>	Municipal Bonds <C>	Other <C>
March 26, 2004			
Principal Amount Outstanding	$50,455	$13,705	$2,931
Delinquencies	44	-	-
Net Credit Losses	-	-	1
December 26, 2003			
Principal Amount Outstanding	$43,777	$14,890	$4,527
Delinquencies	54	-	-
Net Credit Losses	3	-	8

</TABLE>

Variable Interest Entities

In January 2003, the FASB issued FIN 46, which clarifies the application of Accounting Research Bulletin No. 51, Consolidated Financial Statements, for enterprises that have interests in entities that meet the definition of a VIE, and on December 24, 2003, the FASB issued FIN 46R. A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. FIN 46R requires that an entity shall consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses; receive a majority of the VIE's expected residual returns; or both.

As permitted under the transition guidance, Merrill Lynch adopted the provisions of FIN 46R on an entity-by-entity basis. At December 26, 2003 Merrill Lynch applied FIN 46R for purposes of determining those VIEs that must be consolidated or disclosed as giving rise to a significant variable interest, with the exception of those VIEs that issue TOPrSSM, in which case Merrill Lynch applied FIN 46R beginning in the first quarter of 2004. Merrill Lynch accounted for those VIEs that were consolidated under FIN 46R at year-end 2003 as a cumulative effect of a change in accounting principle, which did not have a material effect on the year-end 2003 consolidated financial statements.

During the first quarter of 2004, in accordance with FIN 46R, Merrill Lynch deconsolidated the partnerships and trusts that issue TOPrSSM since Merrill Lynch does not bear the majority of the risks and rewards of those entities. As a result, the dividends, of approximately $48 million per quarter, related to the TOPrSSM have been reclassified from dividends on preferred securities issued by subsidiaries to net revenues (primarily interest expense), and the debt, of approximately $3.2 billion, and partnership interests, of $574 million, related to the entities have been included in the Condensed Consolidated Balance Sheets as Long-term debt issued to TOPrSSM partnerships and Investment securities, respectively. Merrill Lynch has reflected the deconsolidation of TOPrSSM by retroactively restating prior period financial statements in order to provide comparability from period to period.

Merrill Lynch has entered into transactions with a number of VIEs in which it is the primary beneficiary and therefore must consolidate the VIE; or is a significant variable interest holder in the VIE. These VIEs are as follows:

o Merrill Lynch is the primary beneficiary of VIEs that own convertible bonds purchased from Merrill Lynch, in which Merrill Lynch maintains a call option to repurchase the convertible bonds from the VIE. The purpose of these VIEs is to market convertible bonds to a broad investor base by separating the bonds into callable debt and a conversion call option. Assets held by these VIEs are reported in Equities and convertible debentures or resale agreements, depending on the nature of the transaction, in the Condensed Consolidated Balance Sheet. Holders of the beneficial interests in these VIEs have no recourse to the general credit of Merrill Lynch; their investment is paid exclusively from the convertible bonds held by the VIE.

o Merrill Lynch is the primary beneficiary of "maturity shortening transactions," in which the VIE serves to shorten the maturity of a fixed income security, and, at the maturity date of the VIE, Merrill Lynch has the obligation to repurchase some or all of the securities held by the VIE. Assets held by these VIEs are reported in Corporate debt and preferred stock. The beneficial interest holders in these VIEs have recourse to Merrill Lynch to the extent that the underlying assets that Merrill Lynch is required to repurchase have declined in value from the initial transaction date.

o Merrill Lynch is the sponsor and guarantor of VIEs that provide a guarantee of principal to beneficial interest holders, thereby limiting investors' losses generated from the assets. Merrill Lynch may also guarantee investors' returns in excess of principal depending on the nature of the fund. In certain of these VIEs, Merrill Lynch is the primary beneficiary. Investors in these VIEs have recourse to Merrill Lynch to the extent that the value of the assets held by the VIEs at maturity is less than the investors' initial investment or guaranteed amount. Where Merrill Lynch is not the primary beneficiary, guarantees related to these funds are discussed and disclosed in Note 11 to the Condensed Consolidated Financial Statements.

o Merrill Lynch has made loans to, and/or investments in, VIEs that hold loan receivable assets and real estate, and as a result of these loans and investments, Merrill Lynch may be either the primary beneficiary of and consolidate the VIE, or may be a significant variable interest holder. These VIEs are primarily designed to provide temporary on or off-balance sheet financing to clients and/or to invest in real estate. Assets held by VIEs where ML has provided financing and is the primary beneficiary are recorded in Other assets and/or Loans, notes and mortgages in the Condensed Consolidated Balance Sheet. Assets held by VIEs where Merrill Lynch has invested in real estate partnerships are classified as Investment securities where Merrill Lynch holds a significant variable interest, and in Other assets where Merrill Lynch is the primary beneficiary. The beneficial interest holders in these VIEs have no recourse to the general credit of Merrill Lynch; their investments are paid exclusively from the assets in the VIE.

o Merrill Lynch has a significant variable interest in municipal bond securitization QSPEs to which it provides liquidity and default facilities. Additional information on these programs is provided in the retained interest securitization disclosures above and in Note 11 to the Condensed Consolidated Financial Statements.

o Merrill Lynch has entered into transactions with VIEs that are used, in part, to provide foreign tax planning strategies to investors. Merrill Lynch is a significant variable interest holder in these VIEs.

o Merrill Lynch has a significant variable interest in a residential mortgage securitization entered into by one of its banking subsidiaries. Specifically, ML retains a 97% interest in the VIE. In accordance with the previous accounting guidance of SFAS No. 125, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, this entity qualifies as a QSPE and therefore Merrill Lynch does not consolidate the VIE. The 97% interest is reported in Investment securities on Merrill Lynch's Condensed Consolidated Balance Sheets.

o Merrill Lynch has entered into transactions with VIEs where Merrill Lynch is a derivative counterparty to a VIE that serves to synthetically expose investors to a specific credit risk. Based on the provisions of FIN 46R, Merrill Lynch does not have a significant variable interest since the derivative it has purchased does not absorb variability of the VIE. However, because these structures represent a significant Merrill Lynch sponsored program, information related to these structures has been included in the following table.

The following tables summarize Merrill Lynch's involvement with the VIEs listed above as of March 26, 2004 and December 26, 2003, respectively. Where an entity is a significant variable interest holder, FIN 46R requires that entity to disclose its maximum exposure to loss as a result of its interest in the VIE. It should be noted that this measure does not reflect Merrill Lynch's estimate of the actual losses that could result from adverse changes because it does not reflect the economic hedges Merrill Lynch enters into to reduce its exposure.

<TABLE>
<CAPTION>
(dollars in millions)

March 26, 2004	Primary Beneficiary		Significant Variable Interest Holder	
Description	Asset Size	Recourse to Merrill Lynch(4)	Asset Size	Maximum Exposure
<S>	<C>	<C>	<C>	<C>
Convertible Bond Stripping	$1,315	None	$ -	$ -
Maturity Shortening	369	$ 1	-	-
Guaranteed Funds	941	941	-	-
Loan and Real Estate VIEs	753	None	795	692
Municipal Bond Securitizations(1)	-	-	17,154	17,154
Foreign Tax Planning VIEs(2)	-	-	2,811	129
Mortgage Securitization	-	-	329	319
Synthetic Credit Risk VIEs(3)	-	-	6,986	572

(dollars in millions)

December 26, 2003	Primary Beneficiary		Significant Variable Interest Holder	
Description	Asset Size	Recourse to Merrill Lynch(4)	Asset Size	Maximum Exposure
Convertible Bond Stripping	$1,864	None	$ -	$ -
Maturity Shortening	379	$1	-	-
Guaranteed Funds	863	863	-	-
Loan and Real Estate VIEs	775	None	636	

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Municipal Bond Securitizations(1)	-	-	16,927	16,927
Foreign Tax Planning VIEs(2)	-	-	2,811	114
Mortgage Securitization	-	-	345	334
Synthetic Credit Risk VIEs(3)	-	-	6,402	474

(1) The maximum exposure for Municipal Bond Securitizations reflects Merrill Lynch's potential liability as a result of the liquidity and default facilities entered into with the VIEs. It significantly overestimates Merrill Lynch's probability weighted exposure to these VIEs because it does not reflect the economic hedges that are designed to be effective in principally offsetting Merrill Lynch's exposure to loss.
(2) The maximum exposure for Foreign Tax Planning VIEs reflects the fair value of derivatives entered into with the VIEs, as well as the maximum exposure to loss associated with indemnifications made to investors in the VIEs.
(3) The maximum exposure for Synthetic Credit Risk VIEs is the asset carrying value of the derivatives entered into with the VIEs as of March 26, 2004 and December 26, 2003, respectively.
(4) This column reflects the extent, if any, to which investors have recourse to Merrill Lynch beyond the assets held in the VIE.

</TABLE>

NOTE 7. LOANS, NOTES, AND MORTGAGES AND RELATED COMMITMENTS TO EXTEND CREDIT

Loans, Notes, and Mortgages and related commitments to extend credit at March 26, 2004 and December 26, 2003, are presented below:
<TABLE>
<CAPTION>

(dollars in millions)

	Loans		Commitments	
	Mar. 26, 2004	Dec. 26, 2003	Mar. 26, 2004(1)	Dec. 26, 2003
<S>	<C>	<C>	<C>	<C>
Consumer and small- and middle-market business:				
Mortgages	$16,734	$16,688	$ 5,208	$ 4,842
Small- and middle-market business	6,954	6,737	3,408	3,411
Other	3,035	4,045	665	603
Commercial:				
Secured	21,275	21,048	15,461	12,425
Unsecured investment grade	1,268	1,806	17,967	15,028
Unsecured non-investment grade	683	669	874	562
Total	$49,949	$50,993	$43,583	$36,871

(1) See Note 11 for the maturity profile of these commitments.
</TABLE>

The loan amounts are net of an allowance for loan losses of $308 million and $318 million as of March 26, 2004 and December 26, 2003, respectively.

Consumer and small- and middle-market business loans, substantially all of which are secured by real and/or personal property, consisted of approximately 203,100 individual loans at March 26, 2004 and included residential mortgages, home equity loans, small- and middle-market business loans, and other loans to individuals for household, family, or other personal expenditures. Commercial loans, which at March 26, 2004 consisted of approximately 6,900 separate loans, included syndicated loans and other loans to corporations and other businesses. Secured loans and commitments include lending activities made in the normal course of Merrill Lynch's securities and financing businesses. The investment grade and non-investment grade categorization is determined using the credit rating agency equivalent of internal credit ratings. Non-investment grade counterparties are those rated lower than BBB. Merrill Lynch enters into credit default swaps to mitigate credit exposure primarily related to funded and unfunded unsecured commercial loans. The notional value of these swaps totaled $4.9 billion at March 26, 2004 and December 26, 2003.

The above amounts include $8.3 billion and $7.6 billion of loans held for sale at March 26, 2004 and December 26, 2003, respectively. Loans held for sale are loans which management expects to sell prior to maturity. At March 26, 2004, such loans consisted of $4.8 billion of consumer loans, primarily residential mortgages, and $3.5 billion of commercial loans, approximately 65% of which are to investment grade counterparties. At December 26, 2003, such loans consisted of $5.2 billion of consumer loans, primarily residential mortgages, and $2.4 billion of commercial loans, approximately 59% of which were to investment grade counterparties. For information on the accounting policy related to loans, notes, and mortgages, see Note 1 in the 2003 Annual Report.

NOTE 8. COMMERCIAL PAPER, SHORT- AND LONG-TERM BORROWINGS, AND BANK DEPOSITS

Commercial paper and Other short-term borrowings and Bank deposits at March 26, 2004 and December 26, 2003 are presented below:
<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004	Dec. 26, 2003
<S>	<C>	<C>
Commercial paper and other short-term borrowings		
Commercial paper	$ 3,822	$ 4,568
Other	814	432
Total	$ 4,636	$ 5,000
Bank deposits		
U.S.	$65,441	$65,409
Non U.S.	12,685	14,048
Total	$78,126	$79,457

</TABLE>

Long-term borrowings

Merrill Lynch issues debt and Certificates of deposit whose coupons or repayment terms are linked to the performance of equity or other indices (e.g., S&P 500) or baskets of securities. These instruments are assessed to determine if there is an embedded derivative that requires separate reporting and accounting. Beginning in 2004, in accordance with SEC guidance, Merrill Lynch amortizes any upfront profit associated with the embedded derivative into income as a yield adjustment over the life of the related debt instrument or Certificate of deposit.

In March 2002, Merrill Lynch issued $2.3 billion aggregate original principal amount of floating rate zero-coupon contingently convertible debt (Liquid Yield OptionTM notes or LYONs(R)) at an issue price of $1,000 per note. At maturity, the LYONs(R) holder will receive the original principal amount of $1,000 increased daily by a variable rate. The LYONs(R) are unsecured and unsubordinated indebtedness of Merrill Lynch with a maturity date of 30 years. Merrill Lynch will pay no interest prior to maturity unless, during any six-month period beginning June 1, 2007, the average market price of a LYONs(R) for a certain period exceeds 120% of the accreted value of the LYONs(R). Holders of LYONs(R) may convert each security into 13.8213 shares (i.e., the "conversion rate") of Merrill Lynch common stock based on the conditions described below.

In May 2001, Merrill Lynch issued $4.6 billion of aggregate original principal amount of fixed rate contingently convertible LYONs(R) at an issue price of $511.08 per note, which resulted in gross proceeds of approximately $2.4 billion. Each note has a yield to maturity of 2.25% with a maturity value of $1,000 on May 23, 2031. Merrill Lynch is amortizing the issue discount using the effective interest method over the term of the LYONs(R). The LYONs(R) are unsecured unsubordinated indebtedness of Merrill Lynch with a maturity of 30 years. Merrill Lynch will pay no interest prior to maturity unless, during any six-month period beginning June 1, 2006, the average market price of a LYONs(R) for a certain period exceeds 120% of the accreted value of the LYONs(R). Holders of LYONs(R) may convert each security into 5.6787 shares (i.e., the "conversion rate") of common stock based on the conditions described below.

The conversion rate for both of Merrill Lynch's LYONs(R) will be adjusted for:

- Dividends or distributions payable in Merrill Lynch common stock.

- Distributions to all holders of Merrill Lynch common stock of certain rights to purchase the stock at less than the sale price of Merrill Lynch stock at that time.

- Distribution of Merrill Lynch assets to holders of Merrill Lynch common stock (excluding cash dividends that are not extraordinary dividends), or

- Certain corporate events, such as consolidation, merger or transfer of all, or substantially all, of Merrill Lynch's assets.

Both of Merrill Lynch LYONs(R) issuances may be converted based on any of the following conditions:

- If the closing price of Merrill Lynch common stock for at least 20 of the last 30 consecutive trading days ending on the last day of the quarter is more than the conversion trigger price. The conversion trigger price for the floating rate LYONs(R) at March 26, 2004 was $86.82. (That is, at March 26, 2004, a holder could have converted a floating rate LYONs(R) into 13.8213 shares of Merrill Lynch stock if the Merrill Lynch stock price had been greater than $86.82 for at least 20 of the last 30 consecutive trading days at the end of the last day of the quarter). The conversion trigger price for the fixed rate LYONs(R) at March 26, 2004 was $113.76. The conversion trigger price will change each quarter based on the accreted value of the LYONs(R) at that date.

- During any period in which the credit rating of LYONs(R) is Baa1 or lower by Moody's Investor Services, Inc., BBB+ or lower by Standard & Poor's Credit Market Services, or BBB+ or lower by Fitch, Inc.

- If the LYONs(R)are called for redemption.

- If Merrill Lynch is party to a consolidation, merger or binding share exchange, or

- If Merrill Lynch makes a distribution that has a per share value equal to more than 15% of the sale price of its shares on the day preceding the declaration date for such distribution.

As of March 26, 2004 none of the conversion triggers above had been met and, as a result, the related shares have not been included in the diluted EPS calculation.

Holders of LYONs(R) may require Merrill Lynch to repurchase their convertible instruments at accreted value on various dates prior to maturity. The initial put date for holders of floating rate LYONs(R) is March 13, 2005. The initial put date for fixed rate LYONs(R) is May 23, 2004. Merrill Lynch may pay the purchase price in cash, shares or any combination thereof. Merrill Lynch has elected to pay the purchase price for any fixed rate LYONs(R) that are put back to Merrill Lynch on May 23, 2004, with cash. The maximum cash payment assuming the entire issue is put back to Merrill Lynch, would be $2.5 billion.

For further information regarding Merrill Lynch LYONs(R) issuances, refer to Note 9 of the 2003 Annual Report.

NOTE 9. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended	
	Mar. 26, 2004	Mar. 28, 2003
<S>	<C>	<C>
Net Earnings	$1,252	$643

Other comprehensive income, net of tax:		
Currency translation adjustment	(8)	6
Net unrealized gain on investment securities available-for-sale	63	18
Deferred gain on cash flow hedges	8	6
Total other comprehensive income, net of tax	63	30
Comprehensive income	$1,315	$673

</TABLE>

NOTE 10. EARNINGS PER SHARE

The computation of earnings per common share is as follows:

<TABLE>
<CAPTION>

(dollars in millions, except per share amounts)

	Three Months Ended	
	Mar. 26, 2004	Mar.28, 2003
<S>	<C>	<C>
Net Earnings	$ 1,252	$ 643
Preferred stock dividends	10	9
Net earnings applicable to common stockholders	$ 1,242	$ 634
(shares in thousands)		
Weighted-average shares outstanding	930,155	887,553
Effect of dilutive instruments(1) (2):		
Employee stock options	46,214	21,108
Financial Advisor Capital Accumulation Award Plan shares	23,353	20,373
Restricted shares and units	19,929	12,723
Employee Stock Purchase Plan shares	-	118
Dilutive potential common shares	89,496	54,322
Total weighted-average diluted shares	1,019,651	941,875
Basic earnings per common share	$ 1.34	$ 0.71
Diluted earnings per common share	$ 1.22	$ 0.67

(1) During the 2004 and 2003 first quarter there were 40 million and 159 million instruments, respectively, that were considered antidilutive and thus were not included in the above calculations. Additionally, shares related to Merrill Lynch's LYONs(R) issuance are not included in the computation of diluted earnings per share because the threshold trigger price for conversion has not been reached. See Note 8 to the Condensed Consolidated Financial Statements.

(2) See Note 15 to the 2003 Annual Report for a description of these instruments.

</TABLE>

NOTE 11. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Litigation

Merrill Lynch has been named as a defendant in various legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities as a global diversified financial services institution. The general decline of equity securities prices between 2000 and 2003 has resulted in increased legal actions against many firms, including Merrill Lynch, and will likely result in higher professional fees and litigation expenses than those incurred in the past.

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

Given the number of these legal actions, investigations and proceedings, some are likely to result in adverse judgments, settlements, penalties, injunctions, fines, or other relief. Merrill Lynch believes it has strong defenses to, and where appropriate, will vigorously contest these actions. In many cases, including the class action lawsuits disclosed in Item 3 of the 2003 Form 10-K, it is not possible to determine whether a liability has been incurred or to estimate the ultimate or minimum amount of that liability until years after the litigation has been commenced, in which case no accrual is made until that time. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, Merrill Lynch often cannot predict what the eventual loss or range of loss related to such matters will be. Merrill Lynch believes, based on information available to it, that the resolution of these actions will not have a material adverse effect on the financial condition of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results or cash flows for any particular period and may impact ML & Co.'s credit ratings.

Commitments

At March 26, 2004, Merrill Lynch's commitments had the following expirations:
<TABLE>
<CAPTION>
(dollars in millions)

		Commitment expiration			
	Total	Less than 1 year	1- 3 years	3+ - 5 years	Over 5 years
<S>	<C>	<C>	<C>	<C>	<C>
Commitments to extend credit(1)	$43,583	$19,887	$10,107	$7,824	$5,765
Purchasing and other commitments	8,663	7,408	570	449	236
Operating leases	3,809	525	1,010	845	1,429
Resale agreements	14,821	14,821	-	-	-
Total	$70,876	$42,641	$11,687	$9,118	$7,430

(1) See Note 7 to the Condensed Consolidated Financial Statements and Note 13 in the 2003 Annual Report for additional details.
</TABLE>

Other Commitments

Merrill Lynch also obtains commercial letters of credit from issuing banks to satisfy various counterparty collateral requirements in lieu of depositing cash or securities collateral. Commercial letters of credit aggregated $565 million and $507 million at March 26, 2004 and December 26, 2003, respectively.

Merrill Lynch has commitments to purchase partnership interests, primarily related to private equity investing activities, of $406 million and $426 million at March 26, 2004 and December 26, 2003, respectively. Merrill Lynch also has entered into agreements with providers of market data, communications, and systems consulting services. At March 26, 2004 and December 26, 2003 minimum fee commitments over the remaining life of these agreements aggregated $492 million and $503 million, respectively. Merrill Lynch has entered into other purchasing commitments totaling $7.8 billion and $7.4 billion at March 26, 2004 and December 26, 2003, respectively.

Leases

Merrill Lynch has entered into various noncancellable long-term lease agreements for premises that expire through 2024. Merrill Lynch has also entered into various noncancellable short-term lease agreements, which are primarily commitments of less than one year under equipment leases.

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

The leases with the limited partnership mature in 2005 and 2006, and each lease has a renewal term to 2008. In addition, Merrill Lynch has entered into guarantees with the limited partnership, whereby if Merrill Lynch does not renew the lease or purchase the assets under its lease at the end of either the initial or the renewal lease term, the underlying assets will be sold to a third party, and Merrill Lynch has guaranteed that the proceeds of such sale will amount to at least 84% of the acquisition cost of the assets. The maximum exposure to Merrill Lynch as a result of this residual value guarantee is approximately $325 million as of March 26, 2004. As of March 26, 2004, the carrying value of the liability on the Condensed Consolidated Financial Statements is $32 million. Merrill Lynch's residual value guarantee does not comprise more than half of the limited partnership's assets.

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

Guarantees

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

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

Merrill Lynch records all derivative transactions at fair value on its Condensed Consolidated Balance Sheets. A risk framework is used to define risk tolerances and establish limits to ensure that certain risk-related losses occur within acceptable, predefined limits. Merrill Lynch economically hedges its exposure to these contracts by entering into a variety of offsetting derivative contracts and security positions. See the Derivatives section of Note 1 in the 2003 Annual Report for further discussion of risk management of derivatives.

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

The liquidity facilities and credit default protection relate primarily to municipal bond securitization SPEs. Merrill Lynch acts as liquidity provider to municipal bond securitization SPEs. Specifically, the holders of beneficial interests issued by these SPEs have the right to tender their interests for purchase by Merrill Lynch on specified dates at a specified price. If the beneficial interests are not successfully remarketed, the holders of beneficial interests are paid from funds drawn under a standby facility issued by Merrill Lynch (or by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if a draw occurs). If the standby facility is drawn, Merrill Lynch may claim the underlying assets held by the SPEs. In general, standby facilities that are not coupled with default protection are not exercisable in the event of a downgrade below investment grade or default of the assets held by the SPEs. In addition, the value of the assets held by the SPE plus any additional collateral pledged to Merrill Lynch exceeds the amount of beneficial interests issued, which provides additional support to Merrill Lynch in the event that the standby facility is drawn. The assets to which Merrill Lynch has recourse are on a deal-by-deal basis and are not part of a cross collateralized pool. As of March 26, 2004, the value of the municipal bond assets to which Merrill Lynch has recourse in the event of a draw was $18.0 billion and the maximum payout if the standby facilities are drawn was $14.0 billion.

In certain instances, Merrill Lynch also provides default protection in addition to liquidity facilities. Specifically, in the event that an issuer of a municipal bond held by the SPE defaults on any payment of principal and/or interest when due, the payments on the bonds will be made to beneficial interest holders from an irrevocable guarantee by Merrill Lynch (or by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if losses occur). If the default protection is drawn, Merrill Lynch may claim the underlying assets held by the SPEs. As of March 26, 2004, the value of the assets to which Merrill Lynch has recourse in the event that an issuer of a municipal bond held by the SPE defaults on any payment of principal and/or interest when due, was $4.1 billion; the maximum payout if an issuer defaults was $3.2 billion. As described in the preceding paragraph, the assets to which Merrill Lynch has recourse are not part of a cross collateralized pool.

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

Merrill Lynch also provides residual value guarantees to leasing SPEs where either Merrill Lynch or a third party is the lessee. For transactions where Merrill Lynch is not the lessee, the guarantee provides loss coverage for any shortfalls in the proceeds from asset sales greater than 75 - 90% of the adjusted acquisition price, as defined. As of March 26, 2004, the value of the assets for which Merrill Lynch provides residual value guarantees and is not the lessee was $538 million. Where Merrill Lynch is the lessee, it provides a guarantee that any proceeds from the sale of the assets will amount to at least 84% of the adjusted acquisition price, as defined.

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

In addition, Merrill Lynch makes guarantees to counterparties in the form of standby letters of credit. Merrill Lynch holds marketable securities of $255 million as collateral to secure these guarantees. In addition, standby letters of credit include $104 million of financial guarantees for which Merrill Lynch has recourse to the guaranteed party upon draw down.

Further, in conjunction with certain principal-protected mutual funds, Merrill Lynch guarantees the return of the initial principal investment at the termination date of the fund. These funds are generally managed based on a formula that requires the fund to hold a combination of general investments and highly liquid risk-free assets that, when combined, will result in the return of principal at the maturity date unless there is a significant market event. At March 26, 2004 Merrill Lynch's maximum potential exposure to loss with respect to these guarantees is $569 million assuming that the funds are invested exclusively in other general investments (i.e., the funds hold no risk-free assets), and that those other general investments suffer a total loss. As such, this measure significantly overstates Merrill Lynch's exposure or expected loss at March 26, 2004. These guarantees meet the SFAS No. 149 definition of derivatives and, as such, are carried as an asset with a fair value of $20 million at March 26, 2004.

These guarantees and their expiration are summarized at March 26, 2004 as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Maximum Payout/ Notional	Less than 1 year	1 - 3 years	3+ - 5 years	Over 5 years	Carrying Value
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Derivative contracts(1)	$976,409	$371,452	$263,921	$210,657	$130,379	$19,269
Liquidity facilities with SPEs(2)	13,999	11,693	2,306	-	-	101
Liquidity and default facilities with SPEs	3,213	1,851	1,074	1	287	101
Residual value guarantees(3)(4)	1,876	80	26	420	1,350	40

Standby letters of credit and other performance guarantees(5)	1,068	347	92	52	577	(19)

(1) As noted above, the notional value of derivative contracts is provided rather than the maximum payout amount, although the notional value should not be considered as a substitute for maximum payout.
(2) Amounts relate primarily to facilities provided to municipal bond securitization SPEs. Includes $2.7 billion of guarantees provided to SPEs by third party financial institutions where Merrill Lynch has agreed to reimburse the financial institution if losses occur, and has up to one year to fund losses.
(3) Includes residual value guarantees associated with the Hopewell campus and aircraft leases of $325 million.
(4) Includes $937 million of reimbursement agreements with the Mortgage 100SM program.
(5) Includes guarantees related to principal-protected mutual funds.
</TABLE>

See Note 13 in the 2003 Annual Report for additional information on guarantees.

NOTE 12. EMPLOYEE BENEFIT PLANS

Merrill Lynch provides retirement and other postemployment benefits to its employees worldwide through defined contribution and defined benefit pension plans and other postretirement benefit plans. These plans vary based on the country and local practices. Merrill Lynch reserves the right to amend or terminate these plans at any time. Refer to Note 14 in the 2003 Annual Report for a complete discussion on employee benefit plans.

Defined Benefit Pension Plans

Pension cost for the three months ended March 26, 2004 and March 28, 2003, for Merrill Lynch's defined benefit pension plans, included the following components:
<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended	
	Mar. 26, 2004	Mar. 28, 2003
<S>	<C>	<C>
Service cost	$12	$11
Interest cost	38	36
Expected return on plan assets	(35)	(34)
Amortization of unrecognized items and other	3	-
Total defined benefit pension cost	$18	$13

</TABLE>

Merrill Lynch disclosed in its 2003 Annual Report that it expected to contribute $57 million to its defined benefit pension plans in 2004. Merrill Lynch periodically updates these estimates, and currently expects to contribute $32 million to its defined benefit pension plans in 2004.

Postretirement Benefits Other Than Pensions

Other postretirement benefits cost for the three months ended March 26, 2004 and March 28, 2003, included the following components:
<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended	
	Mar. 26, 2004	Mar. 28, 2003
<S>	<C>	<C>
Service cost	$ 4	$ 4
Interest cost	8	8
Other	2	2
Total other postretirement benefits cost	$14	$14

</TABLE>

Merrill Lynch disclosed in its 2003 Annual Report that it expected to contribute $19 million to its postretirement benefit plans in 2004. Merrill Lynch does not expect contributions to differ significantly from amounts previously disclosed.

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NOTE 13. REGULATORY REQUIREMENTS

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

Securities Regulation

Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), a U.S. registered broker-dealer and futures commission merchant, is subject to the net capital requirements of Rule 15c3-1 under the Securities Exchange Act of 1934 and the capital requirements of the Commodities Futures Trading Commission ("CFTC"). Under the alternative method permitted by Rule 15c3-1, the minimum required net capital, as defined, shall not be less than 2% of aggregate debit items ("ADI") arising from customer transactions. The CFTC also requires that minimum net capital should not be less than 4% of segregated and secured requirements. At March 26, 2004, MLPF&S's regulatory net capital of $2,557 million was approximately 18.9 % of ADI, and its regulatory net capital in excess of the minimum required was $2,270 million at 2% of ADI.

Merrill Lynch International ("MLI"), a U.K. regulated investment firm, is subject to capital requirements of the Financial Services Authority ("FSA"). Financial resources, as defined, must exceed the total financial resources requirement of the FSA. At March 26, 2004, MLI's financial resources were $6,438 million, exceeding the minimum requirement by $1,083 million.

Merrill Lynch Government Securities Inc. ("MLGSI"), a primary dealer in U.S. Government securities, is subject to the capital adequacy requirements of the Government Securities Act of 1986. This rule requires dealers to maintain liquid capital in excess of market and credit risk, as defined, by 20% (a 1.2-to-1 capital-to-risk standard). At March 26, 2004, MLGSI's liquid capital of $2,227 million was 232 % of its total market and credit risk, and liquid capital in excess of the minimum required was $1,075 million.

Banking Regulation

Two subsidiaries of ML & Co., Merrill Lynch Bank USA ("MLBUSA") and Merrill Lynch Bank & Trust Co. ("MLB&T") are required to maintain capital levels that at least equal minimum capital levels specified in federal banking laws and regulations. Failure to meet the minimum levels will result in certain mandatory, and possibly additional discretionary, actions by the regulators that, if undertaken, could have a direct material effect on the banks. The capital levels, defined as the Tier 1 leverage ratio, the Tier 1 risk-based ratio, and the Total risk-based capital ratio, are calculated as (i) Tier 1 Capital or Total Capital to (ii) average assets or risk-weighted assets. MLBUSA and MLB&T each exceed the minimum bank regulatory requirement for classification as a well-capitalized bank for the Tier 1 leverage ratio -- 5%, the Tier 1 risk-based capital ratio -- 6% and the Total risk-based capital ratio -- 10%. The following table represents the actual capital ratios and amounts for MLBUSA and MLB&T at March 26, 2004 and December 26, 2003.

<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004		Dec. 26, 2003	
Tier I leverage (to average assets)	Actual Ratio	Amount	Actual Ratio	Amount
<S>	<C>	<C>	<C>	<C>
MLBUSA	6.75%	$4,640	6.47%	$4,480
MLB&T	5.63	863	6.00	857
Tier I capital (to risk-weighted assets)				
MLBUSA	10.60	4,640	10.73	4,480
MLB&T	16.92	863	19.18	857
Total capital (to risk-weighted assets)				

MLBUSA	11.12	4,867	11.28	4,706
MLB&T	16.94	864	19.20	858

</TABLE>

Merrill Lynch Capital Markets Bank Limited ("MLCMB"), an Ireland-based regulated bank, is subject to the capital requirements of the Irish Financial Services Regulatory Authority ("IFSRA"), as well as to those of the State of New York Banking Department ("NYSBD"), as the consolidated supervisor of its indirect parent, Merrill Lynch International Finance Corporation ("MLIFC"). MLCMB is required to meet minimum regulatory capital requirements under EU banking law as implemented in Ireland by IFSRA. At March 26, 2004, MLCMB's capital ratio was above the minimum requirement at 12.09% and its financial resources, as defined, were $1,899 million.

Merrill Lynch International Bank Limited ("MLIB"), a U.K.-based regulated bank, is subject to the capital requirements of the Financial Services Authority ("FSA") as well as those of the NYSBD as part of the MLIFC group. MLIB is required to meet minimum regulatory capital requirements under EU banking law as implemented in the U.K. MLIB's consolidated capital ratio (including its subsidiary Merrill Lynch Bank (Suisse) S.A.), is above the minimum capital requirements established by the FSA. At March 26, 2004, MLIB's consolidated capital ratio was 14.7% and its consolidated financial resources were $2,257 million.

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 March 26, 2004, and the related condensed consolidated statements of earnings and cash flows for the three-month periods ended March 26, 2004 and March 28, 2003. These financial statements are the responsibility of Merrill Lynch's management.

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

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

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Merrill Lynch as of December 26, 2003, and the related consolidated statements of earnings, changes in stockholders' equity, comprehensive income and cash flows for the year then ended prior to restatement for the adoption of Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, as amended by SFAS No. 148, Accounting for Stock-Based Compensation - Transition and Disclosure (not presented herein); and in our report dated March 1, 2004, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph for the change in accounting method in 2002 for goodwill amortization to conform to SFAS No. 142, Goodwill and Other Intangible Assets. We also audited the adjustments described in Note 2 to the condensed consolidated financial statements that were applied to restate the December 26, 2003 consolidated balance sheet of Merrill Lynch (not presented herein). In our opinion, such adjustments are appropriate and have been properly applied and the information set forth in the accompanying condensed consolidated balance sheet as of December 26, 2003 is fairly stated, in all material respects, in relation to the restated consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
New York, New York
May 4, 2004

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

RESULTS OF OPERATIONS

Merrill Lynch & Co., Inc. ("ML & Co." and, together with its subsidiaries, "Merrill Lynch") is a holding company that, through its subsidiaries, provides broker-dealer, investment banking, financing, wealth management, advisory, asset management, insurance, lending, and related products and services on a global basis. In addition, Merrill Lynch engages in market-making activities on behalf of its clients and for its own account, as well as in private equity and other principal investment activities. The financial services industry, in which Merrill Lynch is a leading participant, is extremely competitive and highly regulated. This industry and the global financial markets are influenced by numerous unpredictable factors. These factors include economic conditions, monetary and fiscal policies, the liquidity of global markets, international and regional political events, acts of war or terrorism, changes in applicable laws and regulations, the competitive environment, and investor sentiment. In addition to these factors, Merrill Lynch and other financial services companies may be affected by regulatory and legislative initiatives that may affect the conduct of their business, including increased regulation, and by the outcome of legal and regulatory investigations and proceedings. These conditions or events can significantly affect the volatility of the financial markets as well as the volumes and revenues in businesses such as brokerage, trading, investment banking, wealth management and asset management. Revenues and net earnings may vary significantly from period to period due to the unpredictability of these factors and the resulting market volatility and trading volumes.

The financial services industry continues to be affected by an intensifying competitive environment, as demonstrated by consolidation through mergers, competition from new and established competitors, and diminishing margins in many mature products and services. Commercial and investment bank consolidations have also increased the competition for investment banking and capital markets business, due in part to the extension of credit in conjunction with investment banking and capital raising activities.

The financial services industry is also impacted by the regulatory and legislative environment. In 2003, additional aspects of the Sarbanes-Oxley Act of 2002 were implemented as rules relating to corporate governance (including Board member and Board Committee independence), auditor independence and disclosure became effective and/or were adopted in their final form. Various federal and state securities regulators, self-regulatory organizations (including the New York Stock Exchange and the National Association of Securities Dealers) and industry participants also continued to review and, in many cases, adopt changes to their established rules and policies in areas such as corporate governance, research analyst conflicts of interest and certifications, practices related to the initial public offering of equity securities, mutual fund trading, disclosure practices and auditor independence. Changing requirements for research may continue to affect the cost structure for such services. Regulatory actions affecting the trading practices and pricing structure of mutual funds could change the manner in which business is conducted by the asset management industry. Both inside and outside the United States, there is continued focus by regulators and legislators on regulatory supervision of both commercial and investment banks as an industry and on an individual basis, especially in the areas of capital and risk management.

Forward Looking Statements

Certain statements contained in this report may be considered forward-looking, including those about management expectations, strategic objectives, business prospects, anticipated expense levels and financial results, the impact of off balance sheet arrangements, significant contractual obligations, anticipated results of litigation and regulatory investigations and proceedings, and other similar matters. These forward-looking statements represent only Management's beliefs regarding future performance, which is inherently uncertain. There are a variety of factors, many of which are beyond Merrill Lynch's control, which affect its operations, performance, business strategy and results and could cause its actual results and experience to differ materially from the expectations and objectives expressed in any forward-looking statements. These factors include, but are not limited to, the factors listed in the previous paragraphs, as well as financial market volatility, actions and initiatives taken by both current and potential competitors, general economic conditions, the effects of current, pending and future legislation, regulation and regulatory actions, and the other risks and uncertainties detailed in Merrill Lynch's Annual Report on Form 10-K for the fiscal year ended December 26, 2003 and in the following sections. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. Merrill Lynch does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the dates they are made. The reader should, however, consult any further disclosures Merrill Lynch may make in future filings of its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

BUSINESS ENVIRONMENT

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Major equity market indices grew strongly in January and February but, due to increased geopolitical concerns, weakened in March and ended the quarter essentially unchanged. Fixed income market conditions continued to be robust. Despite strong economic growth in 2003, in early 2004, many investors continued to seek an alternative in bonds amid continued worries about job growth, rising oil prices and terrorism. The yield curve remained steep. Long-term interest rates, as measured by the 10-year U.S. Treasury bond, ended the quarter at 3.85%, down from 4.25% at the end of 2003. At its meetings in both January and March, the U.S. Federal Reserve System's Federal Open Market Committee kept its target for the federal funds rate unchanged at 1.00%.

Major U.S. equity indices increased steadily early in the first quarter, but due to a late quarter downturn closed essentially unchanged from the end of 2003. The Dow Jones Industrial Average finished the quarter down 0.9%, but was up 29.6% from the first quarter of 2003. The Nasdaq Composite, whose many technology stocks led last year's market gains and this year's declines, fell 0.5% in the first quarter but finished the quarter 48.7% above its prior-year level. The Standard and Poor's 500 stock index rose 1.3% during the first quarter but was up 32.8% from the end of the first quarter of 2003.

After last year's powerful rally, global stock markets turned in a mixed performance for the quarter. The Dow Jones World Index, excluding the United States, was up 5.6% in the first quarter of 2004 and 58.2% from the first quarter of 2003. In Europe, the Dow Jones Stoxx Index of 600 European blue-chip companies increased 3.2% in the quarter with the help of the U.S. dollar slightly rebounding against the euro. In Japan, the Nikkei 225 index ended the quarter with an overall gain of 10% and reached a 21-month high by the end of March. Emerging markets, led by Mexico and South Korea, continued to outperform most of the developed world.

Global debt and equity underwriting volumes increased to $1.6 trillion, up 26% from the 2003 fourth quarter and 14% from the first quarter of 2003, according to Thomson Financial Securities Data. Increased stock issuances helped raise total underwriting fees to $4.9 billion in the first quarter, the highest level in two-and-a-half years, according to Thomson Financial Securities Data. The comeback of Initial Public Offerings ("IPOs"), which earn the highest fees, was the primary reason for the significant increase in underwriting fees. The 42 IPOs in the first quarter of 2004, which raised $8.3 billion, was the highest transaction count since the first quarter of 2000.

Global merger and acquisition activity experienced mixed results. Despite strong dollar volumes of announced deals of $536 billion, the number of announced deals declined 7% from the fourth quarter of 2003 but was up 6% from the prior-year quarter. In the United States, the value of announced deals totaled approximately $292 billion, the highest level since the fourth quarter of 2000, according to Thomson Financial Securities Data.

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

- --
RESULTS OF OPERATIONS
- --

<TABLE>
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(dollars in millions, except per share amounts)	For the Three Months Ended March 26, 2004	For the Three Months Ended March 28, 2003(1)
<S>	<C>	<C>
Net Revenues		
Asset management and portfolio service fees	$1,315	$1,127
Commissions	1,361	1,069
Principal transactions	1,046	1,025
Investment banking	837	493
Other	367	213
Subtotal	4,926	3,927
Interest and dividend revenues	3,061	3,005
Less interest expense	1,897	2,128
Net interest profit	1,164	877

Total Net Revenues	6,090	4,804
Non-interest expenses:		
Compensation and benefits	3,047	2,561
Communications and technology	341	403
Occupancy and related depreciation	217	216
Brokerage, clearing, and exchange fees	204	170
Advertising and market development	122	121
Professional fees	177	144
Office supplies and postage	51	58
Other	239	222
Total non-interest expenses	4,398	3,895
Earnings before income taxes	$1,692	$ 909
Net earnings	$1,252	$ 643
Earnings per common share:		
Basic	$ 1.34	$ 0.71
Diluted	1.22	0.67
Annualized return on average common stockholders' equity	17.0%	10.5%
Pre-tax profit margin	27.8	18.9
Compensation and benefits as a percentage of net revenues	50.0%	53.3%
Non-compensation expenses as a percentage of net revenues	22.2	27.8

(1) Prior period amounts have been restated to reflect the retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 2.
</TABLE>

Consolidated Results of Operations

Merrill Lynch's net earnings were $1.3 billion for the 2004 first quarter, an increase of 95% from $643 million in the first quarter of 2003. Earnings per common share were $1.34 basic and $1.22 diluted, compared with $0.71 basic and $0.67 diluted in the 2003 first quarter. The 2004 first quarter pre-tax margin rose to 27.8%, up from 18.9% in the prior-year quarter.

Net revenues were $6.1 billion in the first quarter of 2004, 27% higher than the 2003 first quarter. Asset management and portfolio service fees were $1.3 billion, up 17% from the first quarter of 2003 largely as a result of higher portfolio servicing fees, a large portion of which are calculated on beginning-of-period asset values, as well as increased investment and fund management fees. Commission revenues were $1.4 billion, up 27% from the 2003 first quarter, due to higher transaction volumes, particularly in listed equities and mutual funds. Principal transactions revenues remained essentially unchanged from the year-ago quarter, at $1.0 billion. Investment banking revenues were $837 million, 70% higher than the 2003 first quarter. These revenues included underwriting revenues of $672 million that were 83% higher than the 2003 first quarter, reflecting higher levels of equity underwriting revenues in a more favorable market environment. Also included were strategic advisory revenues of $165 million, which increased 32% from the year-ago quarter, as merger and acquisition activity levels increased. Other revenues were $367 million, 72% higher than the 2003 first quarter due principally to increased revenues from investments, partially offset by lower realized gains on the sales of mortgages.

Net interest profit was $1.2 billion, up 33% from the 2003 first quarter, due primarily to a favorable yield curve environment and increased secured lending activity. As a result of the deconsolidation of the Trusts that issued Trust Originated Preferred Securities ("TOPrSSM") in accordance with the adoption of Financial Accounting Standards Board ("FASB") Interpretation No. ("FIN") 46R, net interest profit now includes the interest expense associated with the long-term debt issued to the TOPrSSM partnerships. See Note 6 to the Condensed Consolidated Financial Statements for additional information on the impact of TOPrSSM.

Compensation and benefits expenses of $3.0 billion in the first quarter of 2004 increased 19% from the 2003 first quarter due primarily to higher incentive compensation accruals reflecting increased net revenues. Compensation and benefits expenses were 50.0% of net revenues for the first quarter of 2004, compared to 53.3% in the year-ago quarter. These amounts reflect the retroactive restatement for stock option expensing under Statement of Financial Accounting Standards ("SFAS") No. 123, Accounting for Stock-Based Compensation, which amounted to $59 million and $65 million for the first three months of 2004 and

2003, respectively. Stock option grants are amortized into earnings over the vesting period. See Note 15 to the 2003 Annual Report for additional information related to stock-based compensation.

Non-compensation expenses were $1.4 billion in the first quarter of 2004, essentially unchanged from the 2003 first quarter. Communications and technology costs were $341 million, down 15% from the first quarter of 2003 due primarily to reduced technology equipment depreciation and rental costs, as well as lower systems consulting and communications costs. Brokerage, clearing and exchange fees were $204 million, up 20% from the 2003 first quarter, due to higher transaction volumes. Professional fees increased 23% from the first quarter of 2003, to $177 million, due principally to increased legal, consulting and recruitment fees. Other expenses were $239 million in the first quarter of 2004, up 8% from a year ago. A $45 million expense recorded in the GPC segment for the adoption of Statement of Position ("SOP") 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts, relating to the accounting for death and other insurance benefits, was partially offset by lower provisions for losses.

Merrill Lynch's first quarter 2004 effective tax rate of 26.0%, declined from 26.5% for the full year of 2003, due primarily to increased lower-taxed earnings from international operations and additional benefits related to state deferred tax assets. The tax rate also reflects projected utilization of Japan net operating losses against Japanese earnings for 2004 and 2003, respectively.

BUSINESS SEGMENTS

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

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

GLOBAL MARKETS AND INVESTMENT BANKING

<TABLE>
<CAPTION>
GMI's Results of Operations

	For the Three Months Ended		
(dollars in millions)	Mar. 26, 2004	Mar. 28, 2003	% Inc.
Commissions	$ 552	$ 511	8
Principal transactions and net interest profit	1,733	1,425	22
Investment banking	675	433	56
Other revenues	275	88	213
Total net revenues	3,235	2,457	32
Non-interest expenses	2,120	1,708	24
Pre-tax earnings	$1,115	$ 749	49
Pre-tax profit margin	34.5%	30.5%	

</TABLE>

GMI took advantage of favorable market conditions and both Global Markets and Investment Banking achieved strong year-over-year growth in net revenues and pre-tax earnings. In debt markets, GMI generated record quarterly net revenues, driven by increased client activity as a result of continued favorable interest rate and credit environments as well as selective position-taking. Net revenues in GMI's equity business also improved significantly across all components of equity trading, origination and financing activities as volumes and volatility increased. Geographically, all regions within GMI achieved year-over-year revenue increases. In Investment Banking, equity origination, debt origination, and merger and acquisition advisory revenues all increased from the year-ago quarter.

GMI's pre-tax earnings increased 49% from the first quarter of 2003, to $1.1 billion. GMI's net revenues were $3.2 billion in the 2004 first quarter, 32% higher than the year-ago quarter. This revenue increase, complemented by ongoing operating discipline, resulted in a pre-tax margin of 34.5%, up from 30.5% in the year-ago quarter. Total non-interest expenses were $2.1 billion during the 2004 first quarter, up from $1.7 billion in the year-ago period, due primarily to higher incentive compensation accruals associated with increased net revenues.

Commissions

Commission revenues primarily arise from agency transactions in listed and over-the-counter equity securities, money market instruments and options. Commission revenues in the first quarter of 2004 increased 8% compared to the year-ago quarter, to $552 million, primarily as a result of an increase in global equity trading volumes.

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

	For the Three Months Ended		
(dollars in millions)	March 26, 2004	March 28, 2003	% Inc.
<S>	<C>	<C>	<C>
Debt and debt derivatives	$ 1,401	$ 1,253	12
Equities and equity derivatives	332	172	93
Total	$ 1,733	$ 1,425	22

</TABLE>

Principal transactions revenues include realized gains and losses from the purchase and sale of securities in which Merrill Lynch acts as principal, and unrealized gains and losses on trading assets and liabilities.

Net interest profit is a function of the level and mix of total assets and liabilities, including trading assets owned and the prevailing level, term structure, and volatility of interest rates. Net interest profit is an integral component of trading and investing activity.

In assessing the profitability of its client facilitation and trading activities, Merrill Lynch views principal transactions and net interest profit in the aggregate as net trading revenues. Changes in the composition of trading inventories and hedge positions can cause the mix of principal transactions and net interest profit to fluctuate. Net trading revenues were $1.7 billion in the first quarter of 2004, up 22% from $1.4 billion in the year-ago quarter. Debt and debt derivatives net trading revenues were $1.4 billion, 12% higher than the first quarter of 2003, reflecting increased trading of interest rate and credit products due to a favorable yield curve environment and selective position-taking. Equities and equity derivatives net trading revenues increased 93% from the first quarter of 2003 to $332 million, due to higher trading revenues resulting from the improvement in market conditions across equity and equity-related products.

<TABLE>
<CAPTION>
Investment Banking

	For the Three Months Ended		
(dollars in millions)	Mar. 26, 2004	Mar. 28, 2003	% Inc.
<S>	<C>	<C>	<C>
Debt underwriting	$ 236	$ 176	34
Equity underwriting	276	132	109
Total underwriting	512	308	66

Strategic advisory services	163	125	30
Total	$ 675	$ 433	56

</TABLE>

Underwriting

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

Underwriting revenues in the 2004 first quarter were $512 million, up 66% from the $308 million recorded in the year-ago quarter, due to increased equity and debt underwriting revenues resulting from a higher volume of transactions. Merrill Lynch increased its market shares in most categories from a year ago and ranked second in global debt and equity underwriting in the first quarter of 2004.

Merrill Lynch's underwriting market share information based on transaction value follows:

<TABLE>
<CAPTION>

	For the Three Months Ended			
	March 26, 2004		March 28, 2003	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
Global proceeds				
Debt and Equity	8.1%	2	7.1%	3
Debt	8.1	2	7.1	3
Equity and equity-linked	8.8	4	8.0	5
U.S. proceeds				
Debt and Equity	11.4%	2	9.1%	2
Debt	11.6	2	9.1	2
Equity and equity-linked	8.1	4	14.6	1

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

</TABLE>

Strategic Advisory Services

Strategic advisory services revenues, which include merger and acquisition and other advisory fees, were $163 million in the first quarter of 2004, up 30% from the first quarter of 2003 as market shares both in the U.S. and globally, increased.

Merrill Lynch's merger and acquisition market share information based on transaction value is as follows:

<TABLE>
<CAPTION>

	For the Three Months Ended			
	March 26, 2004		March 28, 2003	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
Completed transactions				
Global	18.4%	2	15.2%	3
U.S.	33.8	1	23.8	3
Announced transactions				
Global	23.8%	4	13.4%	5
U.S.	18.3	10	3.7	13

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

</TABLE>

Other Revenues

Other revenues, which include realized investment gains and losses, income from equity method investments and distributions on equity investments, were $275 million in the first quarter of 2004 compared to $88 million in the year-ago quarter, due primarily to increased net revenues related to equity method and other investments. Other revenues in the 2004 first quarter included $57 million from an equity-method investment in an entity which focuses on managing problem loans to small and medium-size companies in Japan.

For additional information on GMI's segment results, refer to Note 4 to the Condensed Consolidated Financial Statements.

GLOBAL PRIVATE CLIENT

GPC's Results of Operations

(dollars in millions)	For the Three Months Ended Mar. 26, 2004	Mar. 28, 2003	% Inc. (Dec.)
Asset management and portfolio service fees	$ 948	$ 812	17
Commissions	788	538	46
Principal transactions and new issue revenues	333	299	11
Net interest profit	339	324	5
Other revenues	92	130	(29)
Total net revenues	2,500	2,103	19
Non-interest expenses	1,990	1,854	7
Pre-tax earnings	$ 510	$ 249	105
Pre-tax profit margin	20.4%	11.8%	

GPC's first quarter 2004 pre-tax earnings were $510 million, up 105% from the 2003 first quarter. Net revenues increased 19% from the year-ago quarter to $2.5 billion. The net revenues and pre-tax earnings growth from the prior-year quarter reflected increased client transaction activity, continued strength in revenues from fee-based products and increased revenues from distribution of new issues. GPC's pre-tax margin was 20.4%, up from 11.8% in the year-ago quarter. Non-interest expenses were $2.0 billion in the first quarter of 2004, 7% higher than in the first quarter of 2003, primarily due to higher incentive compensation accruals associated with increased net revenues. Non-compensation expenses included a $45 million expense related to the adoption of SOP 03-1 relating to the accounting for guaranteed minimum death benefits in variable annuity products.

GPC employed approximately 13,700 Financial Advisors at the end of the 2004 first quarter, a net increase of approximately 100 from the end of the year-ago quarter.

Asset management and portfolio service fees

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

Asset management and portfolio service fees totaled $948 million, up 17% from the $812 million recorded in the first quarter of 2003. This increase reflects higher portfolio servicing fees, a large portion of which are calculated on beginning-of-period asset values.

Commissions

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

Commissions revenues increased 46% to $788 million in the first quarter of 2004 from $538 million in the year-ago quarter, due primarily to increased transaction volumes related to mutual funds and equities.

Principal transactions and new issue revenues

GPC's principal transactions and new issue revenues primarily represent bid-offer revenues in over-the-counter equity securities, government bonds and municipal securities, as well as selling concessions on underwriting of debt and equity products.

Principal transactions and new issue revenues were $333 million, 11% higher than the 2003 first quarter due to an increase in equity new issue revenues.

An analysis of changes in assets in GPC accounts from March 28, 2003 to March 26, 2004 is detailed below:

<TABLE>
<CAPTION>

(dollars in billions)	March 28, 2003	Net Changes Due To: New Money	Asset Appreciation	Other(1)	March 26, 2004
<S>	<C>	<C>	<C>	<C>	<C>
Assets in GPC accounts					
U.S.	$1,009	$13	$165	$ -	$1,187
Non U.S.	86	2	20	(3)	105
Total	$1,095	$15	$185	$(3)	$1,292

(1) Represents accounts sold as part of the sale of GPC's call center in Japan and the divestiture of the German business.
</TABLE>

Total assets in GPC accounts in the United States were $1.2 trillion at March 26, 2004 up from $1.0 trillion at the end of the 2003 first quarter as a result of market-driven increases in asset values and net new money of $13 billion. Outside the United States, client assets were $105 billion, up from $86 billion at the end of the year-ago quarter, largely due to market-driven increases. Total assets in asset-priced accounts were $235 billion at the end of the 2004 first quarter, up 30% from $181 billion at the end of the 2003 first quarter.

Net interest profit
Net interest profit for GPC includes GPC's allocation of the interest spread earned in Merrill Lynch's banks for deposits as well as interest earned on margin and other loans. Net interest profit was $339 million in the 2004 first quarter, up 5% from $324 million in the first quarter of 2003.

Other revenues
Other revenues were $92 million in the first quarter of 2004, compared to $130 million in the year-ago period. This decline is due principally to lower realized gains on the sales of mortgages.

For additional information on GPC's segment results, refer to Note 4 to the Condensed Consolidated Financial Statements.

MERRILL LYNCH INVESTMENT MANAGERS

MLIM's Results of Operations

<TABLE>
<CAPTION>

(dollars in millions)	For the Three Months Ended: March 26, 2004	March 28, 2003	% Inc.
<S>	<C>	<C>	<C>
Asset management fees	$ 356	$ 300	19
Commissions	32	31	3
Other revenues	24	6	300
Total net revenues	412	337	22
Non-interest expenses	301	298	1
Pre-tax earnings	$ 111	$ 39	185
Pre-tax profit margin	26.9 %	11.6 %	

</TABLE>

MLIM continued to demonstrate strong relative investment performance for the 1-, 3- and 5-year periods ended March 2004. For each of these periods, more than 70% of MLIM's global assets under management were ahead of their benchmark or category median.

MLIM's pre-tax earnings in the 2004 first quarter were $111 million, up 185% from $39 million in the 2003 first quarter on net revenues that increased 22% from the year ago period to $412 million. This increase is due primarily to higher net asset values and net inflows. Net revenues are primarily dependent on levels of assets under management and asset mix. Non-interest expenses remained essentially unchanged from the year-ago period, at $301 million primarily reflecting continued expense management. The pre-tax margin was 26.9% in the first quarter of 2004, up over 15 percentage points from 11.6% in the year-ago quarter.

Asset management fees
Asset management fees primarily consist of fees earned from the management and administration of funds and separately managed accounts. In some cases, separately managed accounts will, in addition, generate performance fees. Asset management fees were $356 million, up 19% from $300 million in the first quarter of 2003 due primarily to higher market values. At the end of the first quarter of 2004, assets under management totaled $513 billion, a 16% increase from $442 billion at the end of the year-ago quarter, due primarily to market-driven appreciation, the positive impact of foreign exchange, and net new money inflows of $7 billion.

Commissions
Commissions for MLIM principally consist of distribution fees and redemption fees related to mutual funds. The distribution fees represent revenues earned for promoting and distributing mutual funds ("12b-1 fees"). Commissions remained essentially unchanged at $32 million compared to the year-ago quarter.

An analysis of changes in assets under management from March 28, 2003 to March 26, 2004 is as follows:
<TABLE>
<CAPTION>

		Net Changes Due To			
(dollars in billions)	March 28, 2003	New Money	Asset Appreciation	Other(1)	March 26, 2004
<S>	<C>	<C>	<C>	<C>	<C>
Assets under management	$442	$7	$40	$24	$513

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

Other Revenues
Other revenues, which primarily include net interest profit and investment gains and losses, totaled $24 million and $6 million for the first quarter of 2004 and 2003, respectively. This increase is due primarily to consolidation of certain investments in accordance with FIN 46.

For additional information on MLIM's segment results, refer to Note 4 to the Condensed Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEETS

Management continually monitors and evaluates the size and composition of the Consolidated Balance Sheet. The following table summarizes the March 26, 2004 and December 26, 2003 period-end, and first quarter 2004 and full-year 2003 average balance sheets:

<TABLE>
<CAPTION>
(dollars in billions)

	Mar. 26, 2004	2004 Quarterly Average(1)	Dec. 26, 2003	2003 Full year Average(1)
<S>	<C>	<C>	<C>	<C>
Assets				
Trading-Related				
Securities financing assets	$136.1	$153.4	$126.4	$145.0
Trading assets	141.7	154.7	134.3	

				135.9
Other trading-related receivables	51.0	50.7	46.5	50.5
	328.8	358.8	307.2	331.4
Non-Trading-Related				
Cash	27.0	29.6	25.3	24.6
Investment securities	79.9	78.2	74.8	78.5
Loans, notes, and mortgages	49.9	53.0	51.0	44.8
Other non-trading assets	39.4	38.6	38.0	41.4
	196.2	199.4	189.1	189.3
Total assets	$525.0	$558.2	$496.3	$520.7
Liabilities				
Trading-Related				
Securities financing liabilities	$128.2	$156.9	$116.4	$137.7
Trading liabilities	98.6	96.5	89.3	93.7
Other trading-related payables	44.3	54.2	49.2	55.5
	271.1	307.6	254.9	286.9
Non-Trading-Related				
Commercial paper and other short-term borrowings	4.6	8.3	5.0	4.9
Deposits	78.1	79.7	79.5	81.2
Long-term borrowings	96.9	91.8	83.3	80.3
Long-term debt issued to TOPrSSM partnerships	3.2	3.2	3.2	3.2
Other non-trading liabilities	40.9	38.0	41.4	38.0
	223.7	221.0	212.4	207.6
Total liabilities	494.8	528.6	467.3	494.5
Total stockholders' equity	30.2	29.6	29.0	26.2
Total liabilities and stockholders' equity	$525.0	$558.2	$496.3	$520.7

(1) Averages represent management's daily balance sheet estimates, which may not fully reflect netting and other adjustments included in period-end balances. Balances for certain assets and liabilities are not revised on a daily basis.
</TABLE>

OFF BALANCE SHEET ARRANGEMENTS

As a part of its normal operations, Merrill Lynch enters into various off balance sheet arrangements that may require future payments. The table below outlines the significant off balance sheet arrangements, as well as the future expiration as of March 26, 2004:

<TABLE>
<CAPTION>
(dollars in millions)

	Expiration				
	Total	Less than 1 Year	1-3 Years	3+ -5 Years	Over 5 Years
<S>	<C>	<C>	<C>	<C>	<C>
Liquidity facilities with SPEs(1)	$13,999	$11,693	$ 2,306	$ -	$ -
Liquidity and default facilities with SPEs (1)	3,213	1,851	1,074	1	287
Residual value guarantees (2)(3)	1,876	80	26	420	1,350
Standby letters of credit and other performance guarantees	1,068	347	92	52	577
Contractual agreements (4)	45,628	10,074	10,502	5,224	19,828
Commitments to extend credit	43,583	19,887	10,107	7,824	5,765
Resale agreements	14,821	14,821	-	-	-

(1) Amounts relate primarily to facilities provided to municipal bond securitization SPEs.
(2) Includes residual value guarantees associated with the Hopewell campus and aircraft leases of $325 million.
(3) Includes $937 million of reimbursement agreements with the Mortgage 100SM program.
(4) Represents the liability balance of contractual agreements at March 26, 2004.
</TABLE>

In April 2004, Merrill Lynch entered into a commitment to extend a 5.3 billion Euro loan to Sanofi-Synthelabo, a large French pharmaceutical company, in connection with its acquisition of Aventis. This commitment replaces the previously reported four billion Euro commitment entered into in January 2004. Merrill Lynch intends to syndicate out a significant portion of this commitment prior to funding. Commitments to extend credit at March 26, 2004, include $1.9 billion related to this commitment.

Refer to Note 11 to the Condensed Consolidated Financial Statements for additional information.

CONTRACTUAL OBLIGATIONS

In the normal course of business, Merrill Lynch enters into various contractual obligations that may require future cash payments. The accompanying table summarizes Merrill Lynch's contractual obligations by remaining maturity at March 26, 2004. Excluded from this table are obligations recorded on the Condensed Consolidated Balance Sheet that are generally short-term in nature, including securities financing transactions, trading liabilities, deposits, commercial paper and other short-term borrowings and other payables. Also excluded are obligations that are related to our insurance subsidiaries, including liabilities of insurance subsidiaries, which are subject to significant variability and separate accounts liabilities, which fund separate accounts assets.

<TABLE>
<CAPTION>
(dollars in millions)

	Expiration				
	Total	Less than 1 Year	1-3 Years	3+ -5 Years	Over 5 Years
<S>	<C>	<C>	<C>	<C>	<C>
Long-term borrowings (1)	$100,110	$23,041	$24,475	$25,894	$26,700
Operating lease commitments	3,809	525	1,010	845	1,429
Purchasing and other commitments	8,663	7,408	570	449	236

-
(1) Includes Long-term debt issued to TOPrSSM partnerships.
</TABLE>

CAPITAL ADEQUACY AND FUNDING

The primary objectives of Merrill Lynch's capital structure and funding policies are to support the successful execution of the firm's business strategies while ensuring:

- sufficient equity capital to absorb losses and,
- liquidity at all times, across market cycles, and through periods of financial stress.

These objectives and Merrill Lynch's capital structure and funding policies are discussed more fully in the Annual Report on Form 10-K for the year ended December 26, 2003.

Capital Adequacy

At March 26, 2004, Merrill Lynch's equity capital was comprised of $29.8 billion in common equity, $425 million in preferred stock, and $2.6 billion of Long-term debt issued to TOPrSSM partnerships (net of related investments). Based on the risks and equity needs of its businesses, Merrill Lynch believes that its equity capital base of $32.8 billion is adequate.

Asset-to-equity leverage ratios are commonly used to assess a company's capital adequacy. Merrill Lynch believes that a leverage ratio adjusted to exclude certain assets considered to have a low risk profile provides a more meaningful measure of balance sheet leverage in the securities industry than an unadjusted ratio. Merrill Lynch's unadjusted and adjusted leverage ratios are shown below. When assessing its capital adequacy, Merrill Lynch considers the risk profile of assets, the impact of hedging, off balance sheet exposures, operational risk and other considerations, and does not emphasize leverage ratios, which are not risk sensitive.

The following table provides calculations of Merrill Lynch's leverage ratios:

<TABLE>
<CAPTION>
(dollars in millions)

	March 26, 2004	December 26, 2003
Total assets	$524,997	$496,316
Less:		
Receivables under resale agreements	76,743	71,756
Receivables under securities borrowed transactions	51,076	45,472
Securities received as collateral	8,307	9,156
Adjusted assets	$388,871	$369,932
Stockholders' equity	$ 30,187	$ 28,950
Long-term debt issued to TOPrSSM partnerships, net of related investments (1)	2,628	2,629
Equity capital	$ 32,815	$ 31,579
Leverage ratio(2)	16.0x	15.7x
Adjusted leverage ratio(3)	11.9x	11.7x

(1) Due to the perpetual nature of TOPrSSM and other considerations, Merrill Lynch views the Long-term debt issued to TOPrSSM partnerships net of the related investments as a component of equity capital, however the Long-term debt issued to the TOPrSSM partnerships is reported as a liability for accounting purposes. TOPrSSM-related investments were $574 million at March 26, 2004 and December 26, 2003.
(2) Total assets divided by equity capital.
(3) Adjusted assets divided by equity capital.

</TABLE>

As part of Merrill Lynch's capital management, the board of directors authorized the repurchase of up to $2 billion of outstanding common shares under a program announced on February 10, 2004. During the quarter ended March 26, 2004, Merrill Lynch repurchased 8.2 million shares of common stock at a cost of $502 million. For more information on the share repurchase plan see Part II - Item 2.

Funding

Commercial paper outstanding totaled $3.8 billion at March 26, 2004 and $4.6 billion at December 26, 2003, which was approximately 4% and 5% of total unsecured borrowings at March 26, 2004 and year-end 2003, respectively. Deposits at Merrill Lynch's banking subsidiaries totaled $78.1 billion at March 26, 2004, down from $79.5 billion at year-end 2003. Of the $78.1 billion of deposits in Merrill Lynch banking subsidiaries as of March 26, 2004, $65.4 billion were in U.S. banks. Outstanding Long-term borrowings, including Long-term debt issued to TOPrSSM partnerships, increased to $100.1 billion at March 26, 2004 from $86.5 billion at December 26, 2003. The increase in Long-term borrowings supported higher asset levels and was consistent with Merrill Lynch's liquidity practices. For capital management purposes, Merrill Lynch views TOPrSSM as a component of equity capital however, the Long-term debt issued to the TOPrSSM partnerships is reported as a liability for accounting purposes. For additional information on the accounting for TOPrSSM, refer to Note 5 of the Condensed Consolidated Financial Statements. Major components of the change in long-term borrowings during the first three months of 2004 are as follows:

<TABLE>
<CAPTION>
(dollars in billions)

<S>	<C>
Balance at December 26, 2003	$ 86.5
Issuances	18.3
Maturities	(4.8)
Other, net	0.1
Balance at March 26, 2004 (1)	$100.1

(1) At March 26, 2004, $77.1 billion of long-term borrowings had maturity dates beyond one year.
</TABLE>

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

Merrill Lynch also maintains a separate liquidity portfolio of U.S. Government and agency obligations and other instruments of high credit quality that is funded with debt with an average maturity greater than one year. The carrying value of this portfolio, net of related hedges, was $14.9 billion and $14.6 billion at March 26, 2004 and December 26, 2003, respectively. These assets may be sold or pledged to provide immediate liquidity to ML & Co. to repay maturing debt obligations. In addition to this portfolio, the firm monitors the extent to which other unencumbered assets are available to ML & Co. as a source of funds considering that some subsidiaries are restricted in their ability to upstream unencumbered collateral to ML & Co.

Merrill Lynch also maintains a committed, multi-currency, unsecured bank credit facility that totaled $3.0 billion at March 26, 2004 and December 26, 2003. The facility, which expires in May 2004, is expected to be renewed. At March 26, 2004 and December 26, 2003, there were no borrowings under this credit facility, although ML & Co. may borrow from this facility from time to time.

Credit Ratings

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

Merrill Lynch's senior long-term debt and preferred stock were rated by several recognized credit rating agencies at May 4, 2004 as indicated below. These ratings do not reflect outlooks that may be expressed by the rating agencies from time to time, which are currently stable.

<TABLE>
<CAPTION>

Rating Agency	Senior Debt Ratings	Preferred Stock Ratings
<S>	<C>	<C>

Dominion Bond Rating Service Ltd	AA (low)	Not Rated
Fitch Ratings	AA-	A+
Moody's Investors Service, Inc.	Aa3	A2
Rating and Investment Information, Inc. (1)	AA	A+
Standard & Poor's Ratings Services	A+	A-

(1) Located in Japan
</TABLE>

RISK MANAGEMENT

Risk-taking is an integral part of Merrill Lynch's core business activities. In the course of conducting its business operations, Merrill Lynch is exposed to a variety of risks. These risks include market, credit, liquidity, process, and other risks that are material and require comprehensive controls and management. The responsibility and accountability for these risks remain primarily with the individual business units. For a full discussion of Merrill Lynch's risk management framework, see the 2003 Annual Report on Form 10-K.

Market Risk

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

The Merrill Lynch VaR system uses a historical simulation approach to estimate VaR across several confidence levels and holding periods. Sensitivities to market risk factors are aggregated and combined with a database of historical weekly changes in market factors to simulate a series of profits and losses. The level of loss that is exceeded in that series 5% of the time is used as the estimate for the 95% confidence level VaR. The tables below show VaR using a 95% confidence level and a weekly holding period for trading and non-trading portfolios. In addition to the overall VaR, which reflects diversification in the portfolio, VaR amounts are presented for major risk categories, including exposure to volatility risk found in certain products, e.g., options. The table that follows presents Merrill Lynch's VaR for its trading portfolios at March 26, 2004 and December 26, 2003 as well as daily average VaR for the three months ended March 26, 2004 and full year 2003.

<TABLE>
<CAPTION>

(dollars in millions)	Mar. 26, 2004	Dec. 26, 2003	High 1Q04	Low 1Q04	Daily Average 1Q04	Daily Average 2003
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Trading value-at-risk(1)						
Interest rate and credit spread	$ 53	$ 68	$ 97	$ 38	$ 63	$ 56
Equity	52	34	53	20	33	30
Commodity	-	1	2	-	1	1
Currency	-	2	12	-	2	2
Volatility	21	36	51	19	39	26
	126	141			138	115
Diversification benefit	(46)	(62)			(68)	(54)
Overall(2)	$ 80	$ 79	$103	$ 42	$ 70	$ 61

(1) Based on a 95% confidence level and a one-week holding period.
(2) Overall VaR using a 95% confidence level and a one-day holding period was $28 million at March 26, 2004 and $30 million at year-end 2003.
</TABLE>

Merrill Lynch has increased and, if market conditions remain favorable, may continue to increase its risk taking in a number of growth areas, including certain lending businesses, proprietary trading activities and principal investments. These activities provide growth opportunities while also increasing the loss potential under certain market conditions. Corporate Risk Management monitors these risk levels on a daily basis to ensure they remain within corporate risk guidelines and tolerance levels.

The following table presents Merrill Lynch's VaR for its non-trading portfolios, including Merrill Lynch's U.S. banks, certain middle-market lending activities, Merrill Lynch's LYONs(R) and TOPrSSM liabilities:

(dollars in millions)	Mar. 26, 2004	Dec. 26, 2003
Non-trading value-at-risk(1)		
Interest rate and credit spread	$ 100	$ 94
Equity	58	56
Currency	18	14
Volatility	20	21
	196	185
Diversification benefit	(56)	(67)
Overall	$ 140	$ 118

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

Credit Risk

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

In addition, to reduce default risk, Merrill Lynch requires collateral, principally cash and U.S. Government and agency securities, on certain derivative transactions. From an economic standpoint, Merrill Lynch evaluates default risk exposures net of related collateral. The following is a summary of counterparty credit ratings for the replacement cost (net of $14.3 billion of collateral) of OTC trading derivatives in a gain position by maturity at March 26, 2004. (Please note that the following table is inclusive of credit exposure from derivative transactions only and does not include other material credit exposures).

(dollars in millions)

Credit Rating(1)	Years to Maturity 0-3	3+- 5	5+- 7	Over 7	Cross-Maturity Netting(2)	Total
AAA	$ 1,165	$ 1,051	$ 463	$ 1,255	$ (786)	$ 3,148
AA	2,189	964	810	2,243	(1,815)	4,391
A	1,700	854	549	3,552	(1,103)	5,552
BBB	1,272	700	410	997	(898)	2,481
Other	1,651	221	105	341	(343)	1,975
Total	$ 7,977	$ 3,790	$ 2,337	$ 8,388	$ (4,945)	$ 17,547

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

</TABLE>

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

NON-INVESTMENT GRADE HOLDINGS AND HIGHLY LEVERAGED TRANSACTIONS

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

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

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

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

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

TRADING EXPOSURES

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

<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004	Dec. 26, 2003
<S>	<C>	<C>
Trading assets:		
Cash instruments	$11,407	$8,331
Derivatives	5,221	4,124
Trading liabilities - cash instruments	(3,075)	(2,024)
Collateral on derivative assets	(3,246)	(2,335)
Net trading asset exposure	$10,307	$8,096

</TABLE>

Included in the preceding table are debt and equity securities and bank loans of companies in various stages of bankruptcy proceedings or in default. At March 26, 2004, the carrying value of such debt and equity securities totaled $264 million, of which 18% resulted from Merrill Lynch's market-making activities in such securities. This compared with $259 million at December 26, 2003, of which 18% related to market-making activities. Also included are distressed bank loans totaling $189 million and $143 million at March 26, 2004 and December 26, 2003, respectively.

NON-TRADING EXPOSURES

The following table summarizes Merrill Lynch's non-trading exposures to non-investment grade or highly leveraged corporate issuers or counterparties:
<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004	Dec. 26, 2003
<S>	<C>	<C>
Investment securities	$ 338	$ 183
Loans, notes and mortgages - commercial (1)(2)	10,159	8,344
Other investments(3):		
Partnership interests	896	902
Other equity investments (4)	707	716

(1) Includes accrued interest. Net of allowance for loan losses.
(2) Includes $9.3 billion and $7.7 billion of secured loans at March 26, 2004 and December 26, 2003, respectively.
(3) Includes a total of $540 million and $508 million in investments at March 26, 2004 and December 26, 2003, respectively, related to deferred compensation plans, for which a portion of the default risk of the investments rests with the participating employees.
(4) Includes investments in 207 and 204 enterprises at March 26, 2004 and December 26, 2003, respectively.
</TABLE>

The following table summarizes Merrill Lynch's commitments with exposure to non-investment grade or highly-leveraged counterparties:
<TABLE>
<CAPTION>
(dollars in millions)

	Mar. 26, 2004	Dec. 26, 2003
<S>	<C>	<C>
Additional commitments to invest in partnerships (1)	$ 406	$ 426
Unutilized revolving lines of credit and other lending commitments	6,610	4,860

(1) Includes $136 million and $150 million at March 26, 2004 and December 26, 2003,respectively, related to deferred compensation plans.
</TABLE>

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The following is a summary of Merrill Lynch's critical accounting policies. For a full description of these and other accounting policies see Note 1 of the 2003 Annual Report.

Use of Estimates

In presenting the Condensed Consolidated Financial Statements, management makes estimates regarding
- certain trading inventory valuations
- the outcome of litigation
- the carrying amount of goodwill
- the allowance for loan losses
- the realization of deferred tax assets
- tax reserves
- insurance reserves and recovery of insurance deferred acquisition costs
- cash flow projections used in determining whether variable interest entities ("VIEs") should be consolidated, and
- other matters that affect the reported amounts and disclosure of contingencies in the financial statements.

Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ from those estimates and could have a material impact on the Condensed Consolidated Financial Statements, and it is possible that such changes could occur in the near term. For more information regarding the specific methodologies used in determining estimates, refer to Use of Estimates in Note 1 of the 2003 Annual Report.

Valuation of Financial Instruments
Fair values for exchange traded securities and certain exchange-traded derivatives, principally futures and certain options, are based on quoted market prices. Fair values for OTC derivative financial instruments, principally forwards, options, and swaps, represent amounts estimated to be received from or paid to a third party in settlement of these instruments. These derivatives are valued using pricing models based on the net present value of estimated future cash flows, and directly observed prices from exchange-traded derivatives, other OTC trades, or external pricing services.

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

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

Merrill Lynch also has investments in certain non-U.S. GAAP entities, which are accounted for under the equity method of accounting. U.S. GAAP requires that management make certain estimates in determining income recognition. In addition, management makes judgments regarding the allocation of the cost basis of certain investments to the underlying assets in determining valuation of these investments. During the 2004 first quarter, Merrill Lynch recorded approximately $100 million of net revenues related to equity method investments.

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

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

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

2. liquid instruments, including

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

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

Merrill Lynch continually refines the process used to determine the appropriate categorization of its assets and liabilities. At March 26, 2004 and December 26, 2003, assets and liabilities on the Condensed Consolidated Balance Sheets can be categorized as follows:

<TABLE>
<CAPTION>

March 26, 2004
(dollars in millions)

<S>	Category 1 <C>	Category 2 <C>	Category 3 <C>	Total <C>
Assets				
Trading assets, excluding contractual agreements	$53,056	$49,565	$1,571	$104,192
Contractual agreements	5,647	28,270	3,631	37,548
Investment securities	11,293	63,550	5,023	79,866
Loans, notes, and mortgages (net)	-	48,656	1,293	49,949
Liabilities				
Trading liabilities, excluding contractual agreements	$40,914	$10,765	$1,287	$52,966
Contractual agreements	7,151	34,062	4,415	45,628

December 26, 2003
(dollars in millions)

	Category 1	Category 2	Category 3	Total
Assets				
Trading assets, excluding contractual agreements	$49,072	$46,448	$1,593	$97,113
Contractual agreements	4,969	28,555	3,672	37,196
Investment securities	10,478	59,603	4,728	74,809
Loans, notes, and mortgages (net)	-	50,009	984	50,993
Liabilities				
Trading liabilities, excluding contractual agreements	$36,290	$ 8,485	$1,205	$45,980
Contractual agreements	6,942	32,605	3,806	43,353

</TABLE>

In addition, other trading-related assets recorded in the Condensed Consolidated Balance Sheet at March 26, 2004 and December 26, 2003 include $127.8 billion and $117.2 billion, respectively, of securities financing transactions (receivables under resale agreements and receivables under securities borrowed transactions) which are recorded at their contractual amounts plus accrued interest and for which little or no estimation is required by management.

NEW ACCOUNTING PRONOUNCEMENTS

On January 12, 2004, the FASB issued a final FASB Staff Position ("FSP") 106-1, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 which addresses the Medicare Prescription Drug Improvement and Modernization Act of 2003 ("the Act") that was signed into law on December 8, 2003. FSP 106-1 permits a sponsor of a postretirement health care plan that provides a prescription drug benefit to make a one-time election to defer accounting for the effects of the Act. At December 26, 2003, Merrill Lynch elected to defer accounting for the effects of the Act, and as a result any measures of the accumulated postretirement benefit obligation or net periodic postretirement benefit cost in the financial statements or accompanying notes do not reflect the effects of the Act on the plan. Furthermore, at March 26, 2004, specific authoritative guidance on the accounting for the federal subsidy is pending, and that guidance, when issued, could require Merrill Lynch to change previously reported information. Merrill Lynch will assess the impact on the Condensed Consolidated Financial Statements when the final guidance is issued.

On December 23, 2003, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 132 (revised 2003), Employers' Disclosures about Pensions and Other Postretirement Benefits. The revised SFAS No. 132 retains the disclosure requirements in the original statement and requires additional disclosures about pension plan assets, benefit obligations, cash flows, benefit costs and other relevant information. Merrill Lynch adopted the provisions of SFAS No. 132 as of December 26, 2003. See Note 12 to the Condensed Consolidated Financial Statements for these disclosures.

In December of 2003, the American Institute or Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-3, Accounting for Certain Loans or Debt Securities Acquired in a Transfer. SOP 03-3 addresses revenue recognition and impairment assessments for certain loans and debt securities that were purchased at a discount that was at least in part due to credit quality. SOP 03-3 states that where expected cash flows from the loan or debt security can be reasonably estimated, the difference between the purchase price and the expected cash flows (i.e., the "accretable yield") should be accreted into income. In instances where the cash flows or the timing of the cash flows cannot be reasonably estimated, income on the loan or debt security may not be accreted. In addition, the SOP prohibits the recognition of a reserve for impairment on the purchase date. Further, the SOP requires that the allowance for loan losses be supported through a cash flow analysis, on either an individual or on a pooled basis, for all loans that fall within the scope of the guidance. Merrill Lynch will adopt SOP 03-3 as of the beginning of fiscal year 2005 and is currently assessing the potential impact on the Condensed Consolidated Financial Statements.

On July 7, 2003, the AICPA issued SOP 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP was effective for financial statements for Merrill Lynch beginning in 2004. The SOP required the establishment of a liability for contracts that contain death or other insurance benefits using a specified reserve methodology that is different from the methodology that Merrill Lynch used to employ. The adoption of SOP 03-1 resulted in an additional $45 million of pre-tax expense in the first quarter of 2004.

On January 17, 2003, the FASB issued FASB Interpretation No. 46 ("FIN 46"), which clarifies when an entity should consolidate another entity known as a VIE, and on December 24, 2003 the FASB issued a revised standard ("FIN 46R"). A VIE is an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties, and may include many types of SPEs. FIN 46R requires that an entity consolidate a VIE if that enterprise has a variable interest that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. FIN 46R does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. As permitted by the transition guidance in FIN 46R, Merrill Lynch adopted the revised standard on an entity-by-entity basis. At December 26, 2003, Merrill Lynch applied FIN 46R to all VIEs with which it is involved, with the exception of those VIEs that issue Merrill Lynch Trust Originated Preferred Securities ("TOPrSSM"). The adoption of FIN 46R at December 26, 2003 was reported as a cumulative effect of a change in accounting principle and did not have a material effect on the Consolidated Financial Statements. As of March 26, 2004, Merrill Lynch applied FIN 46R to those VIEs that issue TOPrSSM. As a result, these VIEs were deconsolidated. The deconsolidation of TOPrSSM did not have a material impact on the Condensed Consolidated Financial Statements of Merrill Lynch and was reported by retroactively restating prior period financial statements. See Note 6 to the Condensed Consolidated Financial Statements for additional FIN 46R disclosure.

On December 31, 2002 the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation -- Transition and Disclosure, an amendment of FASB Statement No. 123, Accounting for Stock-Based Compensation. Effective for the first quarter of 2004, Merrill Lynch adopted the fair value method of accounting for stock-based accounting under SFAS No. 123, using the retroactive restatement method described in SFAS No. 148. Under the fair value recognition provisions of SFAS No. 123, stock-based compensation cost is measured at the grant date based on the value of the award and is recognized as expense over the vesting period. The December 26, 2003 Condensed Consolidated Balance Sheet has been restated for the retroactive adoption of the fair value recognition provisions of SFAS No. 123. Accordingly, the December 26, 2003 Condensed Consolidated Balance Sheet reflects a $4.0 billion increase in paid-in capital, a $2.7 billion decrease in retained earnings, and a $1.3 billion increase in deferred income taxes. During the first quarter of 2004 and 2003, $59 million and $65 million, respectively, of stock option compensation expense was recorded in earnings. See Note 15 to the 2003 Annual Report for additional information related to stock-based compensation.

- --
STATISTICAL DATA
- --
<TABLE>
<CAPTION>

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
1st Qtr.				
Client Assets (dollars in billions)	2003	2003	2003	2003

					2004
<S>	<C>	<C>	<C>	<C>	<C>
GPC:					
U.S.	$ 1,009	$ 1,076	$ 1,093	$ 1,165	$ 1,187
Non-U.S.	86	92	92	97	105
Total GPC Assets	1,095	1,168	1,185	1,262	1,292
MLIM direct sales	193	205	202	222	229
Total Client Assets	$ 1,288	$ 1,373	$ 1,387	$ 1,484	$ 1,521
Assets in Asset-Priced Accounts	$ 181	$ 200	$ 206	$ 226	$ 235
Assets Under Management:					
Retail	$ 187	$ 195	$ 194	$ 207	$ 212
Institutional	220	239	241	253	259
Private Investors(1)	35	37	38	40	42
U.S.	303	320	327	337	349
Non-U.S.	139	151	146	163	164
Equity	183	209	202	225	229
Fixed-income	108	108	125	132	146
Money market	151	154	146	143	138
Underwriting (dollars in billions):					
Global Equity and Equity-Linked:					
Volume	$ 4	$ 8	$ 8	$ 11	$ 12
Market share	8.0%	7.8%	7.7%	8.4%	8.8%
Global Debt:					
Volume	$ 96	$ 88	$ 90	$ 82	$ 117
Market share	7.1%	6.5%	7.8%	7.3%	8.1%
Full-Time Employees:					
U.S.	39,100	38,200	37,800	38,200	38,400
Non-U.S.	10,400	10,000	10,000	9,900	9,800
Total	49,500	48,200	47,800	48,100	48,200
Private Client Financial Advisors	13,600	13,300	13,400	13,500	13,700
Balance Sheet (dollars in millions, except per share amounts)					
Total assets	$457,374	$482,875	$487,564	$ 496,316	$ 524,997
Total stockholders' equity	$ 24,926	$ 26,083	$ 27,376	$ 28,950	$ 30,187
Book value per common share	$ 26.35	$ 27.44	$ 28.59	$ 30.03	$ 30.75
Share Information (in thousands)					
Weighted-average shares outstanding:					

Basic	887,553	897,202	904,829	913,260	930,155
Diluted	941,875	967,446	991,947	1,009,889	1,019,651
Common shares outstanding	929,768	935,152	942,637	949,907	967,731

(1) Represents segregated portfolios for individuals, small corporations and institutions.
</TABLE>

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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

Item 4. Controls and Procedures

In 2002, ML & Co. formed a Disclosure Committee to assist with the monitoring and evaluation of our disclosure controls and procedures. ML & Co.'s Chief Executive Officer, Chief Financial Officer and Disclosure Committee have evaluated the effectiveness of ML & Co.'s disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this Report. Based on that evaluation, ML & Co.'s Chief Executive Officer and Chief Financial Officer have concluded that ML & Co.'s disclosure controls and procedures are effective.

In addition, no change in ML & Co.'s internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) occurred during the first fiscal quarter of 2004 that has materially affected, or is reasonably likely to materially affect, ML & Co.'s internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The following information supplements the discussion in Part I, Item 3 "Legal Proceedings" in ML & Co.'s Annual Report on Form 10-K for the fiscal year ended December 26, 2003:

Enron Litigation:

Newby v. Enron Corp. et al.:

On March 29, 2004, the court denied Merrill Lynch's motion to dismiss the Second Amended Complaint. The matter is now in discovery.

Other:

Merrill Lynch has been named as a defendant in various other legal actions, including arbitrations, class actions, and other litigation arising in connection with its activities as a global diversified financial services institution. The general decline of equity securities prices between 2000 and 2003 has resulted in increased legal actions against many firms, including Merrill Lynch, and will likely result in higher professional fees and litigation expenses than those incurred in the past.

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

Given the number of these legal actions, investigations and proceedings, some are likely to result in adverse judgments, settlements, penalties, injunctions, fines, or other relief. Merrill Lynch believes it has strong defenses to, and where appropriate, will vigorously contest these actions. In many cases, including the class action lawsuits disclosed in Item 3 of the 2003 Form 10-K, it is not possible to determine whether a liability has been incurred or to estimate the ultimate or minimum amount of that liability until years after the litigation has been commenced, in which case no accrual is made until that time. In view of the inherent difficulty of predicting the outcome of such matters, particularly in cases in which claimants seek substantial or indeterminate damages, Merrill Lynch often cannot predict what the eventual loss or range of loss related to such matters will be. Merrill Lynch believes, based on information available to it, that the resolution of these actions will not have a material adverse effect on the financial condition of Merrill Lynch as set forth in the Condensed Consolidated Financial Statements, but may be material to Merrill Lynch's operating results or cash flows for any particular period and may impact ML & Co.'s credit ratings.

Item 2. Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

The table below sets forth the information with respect to purchases made by or on behalf of Merrill Lynch or any "affiliated purchaser" (as defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934), of our common stock during the quarter ended March 26, 2004.

ISSUER PURCHASES OF EQUITY SECURITIES

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

Period	Total Number of Shares Purchased(1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet be Purchased Under the Program(2)
<S>	<C>	<C>	<C>	<C>
Month #1 (Dec. 27 - Jan. 30)	-	$ -	-	N/A(2)
Month #2 (Jan. 31 - Feb. 27)	2,750,000	$61.27	2,750,000	$1,832
Month #3 (Feb. 28 - Mar. 26)	5,450,000	$61.24	5,450,000	$1,498
Total, Mar. 26, 2004	8,200,000	$61.25	8,200,000	$1,498

(1) The information in this column does not include: (A) 6,843 shares delivered or attested to in satisfaction of the exercise price by holders of ML & Co. employee stock options (granted under employee stock compensation plans) who exercised options during the quarter or (B) 2,561,405 Restricted Shares withheld (under the terms of grants under employee stock compensation plans) to offset tax withholding obligations that occur upon vesting and release of Restricted Shares during the quarter. ML & Co.'s employee stock compensation plans provide that value of the shares delivered or attested, or withheld, shall be the average of the high and low price of ML & Co.'s common stock (Fair Market Value) on the date the relevant transaction occurs. On January 31, 2004, the date on which 2,555,668 of the Restricted Shares specified in (B) above were withheld (upon the scheduled vesting of Restricted Shares), the Fair Market Value was $58.65.
(2) At period-end. As part of Merrill Lynch's capital management, the board of directors authorized the repurchase of up to $2 billion of outstanding common shares under a program announced on February 10, 2004. Share repurchases under the program are made pursuant to open-market purchases, Rule 10b5-1 plans or privately negotiated transactions as market conditions warrant and at prices Merrill Lynch deems appropriate.
</TABLE>

Item 4. Submission of Matters to a Vote of Security Holders

On April 23, 2004, ML & Co. held its Annual Meeting of Shareholders, at which approximately 88% of the shares of ML & Co. common stock outstanding and eligible to vote, either in person or by proxy, were represented, constituting a quorum. At the Annual Meeting, the following matters were voted upon: (i) the election of two directors to the Board of Directors to hold office for a term of three years; (ii) a proposal to ratify the appointment of Deloitte & Touche LLP as ML & Co.'s independent auditor; (iii) a shareholder proposal concerning cumulative voting in the election of directors; and (iv) a shareholder proposal recommending the Board of Directors amend the ML & Co. By-Laws to require an independent director who has not served as the Chief Executive Officer serve as Chairman of the Board. Proxies for the Annual Meeting were solicited by the Board of Directors pursuant to Regulation 14A of the Securities Exchange Act of 1934.

The shareholders elected both nominees to the Board of Directors as set forth in ML & Co.'s Proxy Statement. There was no solicitation in opposition to the nominees. The votes cast for or withheld from the election of directors were as follows: David K. Newbigging received 809,104,145 votes in favor and 43,296,963 votes were withheld; and Joseph W. Prueher received 812,951,589 votes in favor and 39,449,519 votes were withheld. There were no broker non-votes for the election of the two directors.

The shareholders ratified the appointment of Deloitte & Touche LLP as ML & Co.'s independent auditor. The votes cast for and against, as well as the number of abstentions for this proposal were as follows: 805,400,123 votes in favor, 45,264,606 votes against and 1,736,379 shares abstained. There were no broker non-votes for this proposal.

The shareholders did not approve the shareholder proposal concerning cumulative voting in the election of directors. The votes cast for and against, as well as the number of abstentions for this proposal were as follows: 246,135,389 votes in favor, 393,614,836 votes against and 57,698,297 shares abstained. 154,952,586 shares represented broker non-votes and had no effect on the vote on the proposal.

The shareholders did not approve the shareholder proposal recommending the Board of Directors amend the ML & Co. By-Laws to require an independent director who has not served as the Chief Executive Officer serve as Chairman of the Board. The votes cast for and against, as well as the number of abstentions for this proposal were as follows: 232,253,179 votes in favor, 454,799,926 votes against and 10,397,617 shares abstained. 154,950,386 shares represented broker non-votes and had no effect on the vote on the proposal.

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.

12 Statement re: computation of ratios.

15 Letter re: unaudited interim financial information.

31.1 Rule 13a-14(a) Certification of the Chief Executive Officer.

31.2 Rule 13a-14(a) Certification of the Chief Financial Officer.

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

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

(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed by the Registrant during the first quarter of 2004 with the Commission under either of the captions "Item 5. Other Events" or "Item 12. Results of Operations and Financial Condition:"

(i) Current Report dated December 26, 2003 for the purpose of filing the form of ML & Co.'s Dow Jones Industrial AverageSM Market Index Target-Term Securities(R) due December 27, 2010.

(ii) Current Report dated January 14, 2004 for the purpose of reporting that Merrill Lynch sent an internal communication to employees, which disclosed that it expected to report record full-year net earnings.

(iii) Current Report dated January 21, 2004 for the purpose of reporting that ML & Co. announced results of operations for the three months and year-ended December 26, 2003 and filed a Preliminary Unaudited Earnings Summary for the three months and year-ended December 26, 2003 and supplemental quarterly data.

(iv) Current Report dated February 6, 2004 for the purpose of filing the form of ML & Co.'s Long Short Notes Linked to the Dow Jones Industrial Average/Nasdaq-100 Long Short Index due April 6, 2005.

(v) Current Report dated February 10, 2004 for the purpose of reporting that ML & Co. announced that its Board of Directors has authorized the repurchase of up to $2 billion of the company's outstanding common shares.

(vi) Current Report dated February 11, 2004 for the purpose of filing the form of ML & Co.'s Currency Notes Linked to the United States Dollar/Japanese Yen Exchange Rate due August 11, 2005.

(vii) Current Report dated February 20, 2004 for the purpose of filing the form of ML & Co.'s 7% Callable STock Return Income DEbt Securities SM due February 22, 2005, payable at maturity with Intel Corporation common stock.

(viii) Current Report dated February 25, 2004 for the purpose of filing the form of ML & Co.'s Strategic Return Notes (R) Linked to the Select Utility Index due February 25, 2009.

(ix) Current Report dated March 1, 2004 for the purpose of filing the form of ML & Co.'s 97% Protected Notes Linked to the Performance of the Dow Jones Industrial Average SM due March 28, 2011.

(x) Current Report dated March 1, 2004 for the purpose of filing the form of ML & Co.'s Strategic Return Notes (R) Linked to the Select Ten Index due March 2, 2009.

(xi) Current Report dated March 5, 2004 for the purpose of filing the form of ML & Co.'s Accelerated Return Notes Linked to the Nikkei 225 Index due June 16, 2005.

(xii) Current Report dated March 16, 2004 for the purpose of filing the form of ML & Co.'s 7% Callable STock Return Income DEbt Securities SM due March 16, 2005, payable at maturity with Genzyme Corporation common stock.

SIGNATURES

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

MERRILL LYNCH & CO., INC.

(Registrant)

By: /s/ Ahmass L. Fakahany

Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

By: /s/ John J. Fosina

John J. Fosina
Controller
Principal Accounting Officer

Date: May 4, 2004

INDEX TO EXHIBITS

Exhibits

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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)

<TABLE>
<CAPTION>

	For the Three Months Ended	
	March 26, 2004	March 28, 2003(a)
<S>	<C>	<C>
Pre-tax earnings(b)	$ 1,593	$ 911
Add: Fixed charges (excluding capitalized interest and preferred security dividend requirements of subsidiaries)	1,941	2,168
Pre-tax earnings before fixed charges	3,534	3,079
Fixed charges:		
Interest	1,892	2,119
Other(c)	49	49
Total fixed charges	1,941	2,168
Preferred stock dividend requirements	13	14
Total combined fixed charges and preferred stock dividends	$ 1,954	$ 2,182
Ratio of earnings to fixed charges	1.82	1.42
Ratio of earnings to combined fixed charges and preferred stock dividends	1.81	1.41

(a) Prior period amounts have been restated to reflect the retroactive adoption of the fair value recognition provisions of SFAS No. 123, Accounting for Stock-Based Compensation, as discussed in Note 2.
(b) Excludes undistributed earnings (loss) from equity investees.
(c) Other fixed charges consist of the interest factor in rentals, amortization of debt issuance costs and preferred security dividend requirements of subsidiaries.
</TABLE>

Exhibit 15

May 4, 2004

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 March 26, 2004 and for the three-month periods ended March 26, 2004 and March 28, 2003, as indicated in our report dated May 4, 2004; 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 March 26, 2004, is incorporated by reference in the following Registration Statements, as amended:

Filed on Form S-8:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Registration Statement No. 333-99105 (2003 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-108296 (2004 Deferred Compensation Plan for a Select Group of Eligible Employees)

Registration Statement No. 333-109236 (Employee Stock Compensation Plan)

Filed on Form S-3:

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

Registration Statement No. 33-54218

Registration Statement No. 2-78338

Registration Statement No. 2-89519

Registration Statement No. 2-83477

Registration Statement No. 33-03602

Registration Statement No. 33-17965

Registration Statement No. 33-27512

Registration Statement No. 33-33335

Registration Statement No. 33-35456

Registration Statement No. 33-42041

Registration Statement No. 33-45327

Registration Statement No. 33-45777

Registration Statement No. 33-49947

Registration Statement No. 33-51489

Registration Statement No. 33-52647

Registration Statement No. 33-55363

Registration Statement No. 33-60413

Registration Statement No. 33-61559

Registration Statement No. 33-65135

Registration Statement No. 333-13649

Registration Statement No. 333-16603

Registration Statement No. 333-20137

Registration Statement No. 333-25255

Registration Statement No. 333-28537

Registration Statement No. 333-42859

Registration Statement No. 333-44173

Registration Statement No. 333-59997

Registration Statement No. 333-68747

Registration Statement No. 333-38792

Registration Statement No. 333-52822

Registration Statement No. 333-83374

Registration Statement No. 333-97937

Registration Statement No. 333-105098

Registration Statement No. 333-109802

Medium Term Notes:

Registration Statement No. 2-96315

Registration Statement No. 33-03079

Registration Statement No. 33-05125

Registration Statement No. 33-09910

Registration Statement No. 33-16165

Registration Statement No. 33-19820

Registration Statement No. 33-23605

Registration Statement No. 33-27549

Registration Statement No. 33-38879

Other Securities:

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

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

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

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

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

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

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

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

Exhibit 31.1

Certification

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

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

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

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

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

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

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

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

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

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

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

/s/ E. Stanley O'Neal

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

Dated: May 4, 2004

Exhibit 31.2

Certification

I, Ahmass L. Fakahany, certify that:

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

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

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

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

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

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

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

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

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

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

/s/ Ahmass L. Fakahany

Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

Dated: May 4, 2004

Exhibit 32.1

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

In connection with the Quarterly Report of Merrill Lynch & Co., Inc. (the "Company") on Form 10-Q for the period ended March 26, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, E. Stanley O'Neal, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ E. Stanley O'Neal

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

Dated: May 4, 2004

Exhibit 32.2

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

In connection with the Quarterly Report of Merrill Lynch & Co., Inc. (the "Company") on Form 10-Q for the period ended March 26, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ahmass L. Fakahany, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Ahmass L. Fakahany

Ahmass L. Fakahany
Executive Vice President and
Chief Financial Officer

Dated: May 4, 2004