

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

FORM
X-17A-5

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

(Please read instructions before preparing Form)

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

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

NAME OF BROKER-DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED 13

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

ONE BRYANT PARK 20

(No. and Street)

NEW YORK 21 NY 22 10036 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-07221 14

FIRM ID NO.

7691 15

FOR PERIOD BEGINNING (MM/DD/YY)

07/01/16 24

AND ENDING (MM/DD/YY)

09/30/16 25

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

John Olmstead 30

(212) 647-4787 31

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

OFFICIAL USE

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

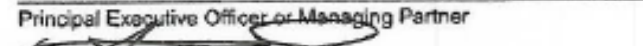
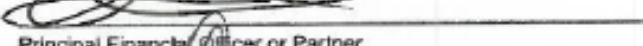
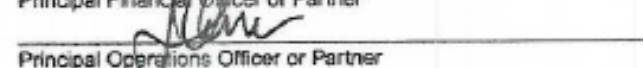
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

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

Dated the 25th day of October 20 16

Manual Signatures of:

- 1)  Principal Executive Officer or Managing Partner
- 2)  Principal Financial Officer or Partner
- 3)  Principal Operations Officer or Partner

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

CONFIDENTIAL TREATMENT
REQUESTED BY MERRILL LYNCH,
PIERCE, FENNER & SMITH
INCORPORATED UNDER FOIA

PART II CSE

BROKER OR DEALER	N 2									
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED										100

STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 09/30/16 99
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 Consolidated 198
 Unconsolidated 199

	<u>ASSETS</u>			
	<u>Allowable</u>		<u>Nonallowable</u>	<u>Total</u>
1. Cash	\$ 875,672,226	200		\$ 875,672,226 750
2. Cash segregated in compliance with federal and other regulations	6,920,682,586	210		6,920,682,586 760
3. Receivable from brokers or dealers and clearing organizations:				
A. Failed to deliver:				
1. Includable in "Formula for Reserve Requirements"	788,856,435	220		
2. Other	990,507,645	230		1,779,364,080 770
B. Securities borrowed:				
1. Includable in "Formula for Reserve Requirements"	18,801,917,308	240		
2. Other	64,602,192,273	250		83,404,109,581 780
C. Omnibus accounts:				
1. Includable in "Formula for Reserve Requirements"	0	260		
2. Other	1,366,735,603	270		1,366,735,603 790
D. Clearing Organizations:				
1. Includable in "Formula for Reserve Requirements"	0	280		
2. Other	10,625,682,142	290		10,625,682,142 800
E. Other	256,123,672	300	\$ 136,689,368 550	392,813,040 810
4. Receivables from customers:				
A. Securities accounts:				
1. Cash and fully secured accounts	7,935,940,448	310		
2. Partly secured accounts	0	320	10,461,057 560	
3. Unsecured Accounts			82,757,565 570	
B. Commodity accounts	263,079,860	330	3,362 580	
C. Allowance for doubtful accounts	(0)	335	(4,967,633) 590	8,287,274,659 820
5. Receivables from non-customers:				
A. Cash and fully secured accounts	282,923,870	340		
B. Partly secured and unsecured accounts	0	350	0 600	282,923,870 830
6. Securities purchased under agreements to resell	73,500,895,605	360	0 605	73,500,895,605 840
7. Derivative Receivables:	58,761,742	291		58,761,742 801
8. Trade Date Receivable:	0	292		0 802
9. Securities and spot commodities owned, at market value:	68,389,348,935	849		68,389,348,935 850
Includes encumbered securities of				
..... \$	17,595,171,445	120		

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

2016-10-25 02:49PM EDT
Status: Accepted

BROKER OR DEALER

as of 09/30/16

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

	Allowable	Nonallowable	Total
10. Securities owned not readily marketable:			
A. At Cost \$	0 130	4,627,250,246 610	4,627,250,246 860
11. Other investments not readily marketable:			
A. At Cost \$	0 140		
B. At estimated fair value	0 450	55,938,528 620	55,938,528 870
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	0 150		
B. Other \$	0 160	0 630	0 880
13. Secured demand notes- market value of collateral:			
A. Exempted securities \$	0 170		
B. Other \$	0 180	0 640	0 890
14. Memberships in exchanges:			
A. Owned, at market value \$	7,010,120 190		
B. Owned at cost		226,939 650	
C. Contributed for use of company, at market value		0 660	226,939 900
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships	196,505,152 480	3,529,095,664 670	3,725,600,816 910
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	0 490	167,251,936 680	167,251,936 920
17. Other Assets:			
A. Dividends and interest receivable	683,198,061 500	16,169,324 690	
B. Free shipments	15,517,425 510	7,278,895 700	
C. Loans and advances	0 520	0 710	
D. Miscellaneous	423,507,374 530	7,102,247,987 720	
E. Collateral accepted under SFAS 140	13,519,441,253 536		
F. SPE Assets	1,506,189,628 537		23,273,549,947 930
18. TOTAL ASSETS \$	272,003,679,243 540	15,730,403,238 740	287,734,082,481 940

BROKER OR DEALER as of 09/30/16
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

Total

Liabilities

19. Bank loans payable:		
A. Includable in "Formula for Reserve Requirements"	\$ 0	1460
B. Other	0	1470
20. Securities sold under repurchase agreements.	102,149,026,772	1480
21. Payable to brokers or dealers and clearing organizations:		
A. Failed to receive:		
1. Includable in "Formula for Reserve Requirements"	1,050,771,181	1490
2. Other	547,863,705	1500
B. Securities loaned:		
1. Includable in "Formula for Reserve Requirements"	2,229,747,612	1510
2. Other	20,317,108,579	1520
C. Omnibus accounts:		
1. Includable in "Formula for Reserve Requirements"	11,443,071,318	1530
2. Other	0	1540
D. Clearing organizations:		
1. Includable in "Formula for Reserve Requirements"	0	1550
2. Other	552,897,683	1560
E. Other	905,614,393	1570
22. Payable to customers:		
A. Securities accounts - including free credits of \$ 13,183,674,403	18,517,928,079	1580
B. Commodities accounts	14,861,661,408	1590
23. Payable to non customers:		
A. Securities accounts	1,069,010,131	1600
B. Commodities accounts	1,742,557,427	1610
24. Derivative Payables:	3,475,645,446	1561
25. Trade Date Payable:	4,517,331,117	1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ 649,911,227	38,437,818,696	1620
27. Accounts payable and accrued liabilities and expenses:		
A. Drafts payable	504,647,312	1630
B. Accounts payable	19,032,319,908	1640
C. Income taxes payable	0	1650
D. Deferred income taxes	0	1660
E. Accrued expenses and other liabilities	1,643,226,567	1670
F. Other	0	1680
G. Obligation to return securities	13,519,441,253	1686
H. SPE Liabilities	1,506,189,628	1687

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/16

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>Total</u>
28. Notes and mortgages payable:	
A. Unsecured	\$ 0 1690
B. Secured	0 1700
29. Liabilities subordinated to claims of general creditors:	
A. Cash borrowings:	12,078,000,000 1710
1. from outsiders \$ 0 970	
2. Includes equity subordination(15c3-1(d)) of \$ 5,858,000,000 980	
B. Securities borrowings, at market value:	0 1720
from outsiders \$ 0 990	
C. Pursuant to secured demand note collateral agreements:	0 1730
1. from outsiders \$ 0 1000	
2. Includes equity subordination(15c3-1(d)) of \$ 0 1010	
D. Exchange memberships contributed for use of company, at market value	0 1740
E. Accounts and other borrowings not qualified for net capital purposes	0 1750
30. TOTAL LIABILITIES	\$ 270,101,878,215 1760
<u>Ownership Equity</u>	
31. Sole proprietorship	\$ 0 1770
32. Partnership - limited partners	\$ 0 1020 0 1780
33. Corporation:	
A. Preferred stock	0 1791
B. Common stock	1,000 1792
C. Additional paid- in capital	10,525,261,009 1793
D. Retained Earnings	7,106,942,257 1794
E. Total	17,632,204,266 1795
F. Less capital stock in treasury	(0) 1796
34. TOTAL OWNERSHIP EQUITY	\$ 17,632,204,266 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 287,734,082,481 1810

OMIT PENNIES

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/16

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	17,632,204,266	3480
2. Deduct: Ownership equity not allowable for Net Capital	(0	3490
3. Total ownership equity qualified for Net Capital		17,632,204,266	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		12,078,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	29,710,204,266	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	15,730,403,238	3540
1. Additional charges for customers' and non-customers' security accounts		9,466,682	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		27,849,913	3570
1. number of items		839	3450
C. Aged short security differences-less reserve of	\$	0	3460
number of items		0	3470
D. Secured demand note deficiency		0	3590
E. Commodity futures contracts and spot commodities - proprietary capital charges		0	3600
F. Other deductions and/or charges		558,534,458	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)		0	3615
H. Total deductions and/or charges	(16,326,254,291)	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	13,383,949,975	3640
9. Total Market Risk Exposure	\$	1,230,844,104	3635
10. Total Credit Risk Exposure	\$	15,200	3679
11. Net Capital	\$	12,153,090,671	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
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MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 09/30/16

COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

12. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	1,611,125,131	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	676,258,279	3880
14. Net capital requirement (greater of line 12 or 13)	\$	1,611,125,131	3760
15. Excess net capital (line 11 less 14)	\$	10,541,965,540	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	40.85	3851
17. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 11 less Item 4880 page 19 divided by line 18 page 10)	%	40.85	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	10,541,965,539	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	20.94	3860
20. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%		3852