

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)

NEWYORK 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)

10/01/18 24

AND ENDING (MM/DD/YY)

12/31/18 25

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

Lizbeth Applebaum 30

(212)449-4414 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

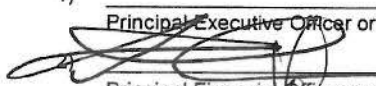
CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT 42

EXECUTION:

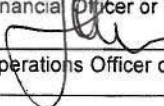
The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of 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 January 2019

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))

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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	N2		100
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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 12/31/18 99
SEC FILE NO. 8-07221 98
Consolidated 198
Unconsolidated X 199

	ASSETS				
	Allowable	Nonallowable	Total		
1. Cash	\$ 2,376,722,725		\$ 2,376,722,725	200	750
2. Cash segregated in compliance with federal and other regulations	7,255,591,575		7,255,591,575	210	760
3. Receivable from brokers or dealers and clearing organizations:					
A. Failed to deliver:					
1. Includable in "Formula for Reserve Requirements"	1,188,920,225			220	
2. Other	761,190,416		1,950,110,641	230	770
B. Securities borrowed:					
1. Includable in "Formula for Reserve Requirements"	11,425,216,088			240	
2. Other	62,544,426,719		73,969,642,807	250	780
C. Omnibus accounts:					
1. Includable in "Formula for Reserve Requirements"	0			260	
2. Other	3,139,523,095		3,139,523,095	270	790
D. Clearing Organizations:					
1. Includable in "Formula for Reserve Requirements"	0			280	
2. Other	17,608,582,936		17,608,582,936	290	800
E. Other	2,140,951,473	\$ 886,120,173	3,027,071,646	300	810
4. Receivables from customers:					
A. Securities accounts:					
1. Cash and fully secured accounts	8,292,744,802			310	
2. Partly secured accounts	0	19,019,992		320	560
3. Unsecured Accounts		79,671,661		330	570
B. Commodity accounts	589,907,407	443,153		340	580
C. Allowance for doubtful accounts	(0)	(1,006,493)	8,980,780,522	350	820
5. Receivables from non-customers:					
A. Cash and fully secured accounts	1,595,692,719			360	
B. Partly secured and unsecured accounts	0	0	1,595,692,719	370	830
6. Securities purchased under agreements to resell	92,481,815,305	0	92,481,815,305	380	840
7. Derivative Receivables:	2,110,728,126		2,110,728,126	390	801
8. Trade Date Receivable:	5,919,151,402		5,919,151,402	400	802
9. Securities and spot commodities owned, at market value:	79,039,688,436		79,039,688,436	410	850
Includes encumbered securities of					
..... \$	27,742,851,185			420	120

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>12/31/18</u>
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STATEMENT OF FINANCIAL CONDITION

	ASSETS (continued)		
	Allowable	Nonallowable	Total
10. Securities owned not readily marketable:			
A. At Cost \$	0 <u>130</u>	\$ 4,787,453,837 <u>610</u>	\$ 4,787,453,837 <u>860</u>
11. Other investments not readily marketable:			
A. At Cost \$	0 <u>140</u>		
B. At estimated fair value	0 <u>450</u>	47,818,441 <u>620</u>	47,818,441 <u>870</u>
12. Securities borrowed under subordination agree- ments and partners' individual and capital securities accounts, at market value:			
A. Exempted securities \$	0 <u>150</u>		
B. Other \$	0 <u>160</u>	0 <u>630</u>	0 <u>880</u>
13. Secured demand notes- market value of collateral:			
A. Exempted securities \$	0 <u>170</u>		
B. Other \$	0 <u>180</u>	0 <u>640</u>	0 <u>890</u>
14. Memberships in exchanges:			
A. Owned, at market value \$	5,753,170 <u>190</u>		
B. Owned at cost		0 <u>650</u>	
C. Contributed for use of company, at market value		0 <u>660</u>	0 <u>900</u>
15. Investment in and receivables from affiliates, subsidiaries and associated partnerships	0 <u>480</u>	4,036,864,486 <u>670</u>	4,036,864,486 <u>910</u>
16. Property, furniture, equipment, leasehold improvements and rights under lease agreements: At cost (net of accumulated depreciation and amortization)	0 <u>490</u>	254,896,434 <u>680</u>	254,896,434 <u>920</u>
17. Other Assets:			
A. Dividends and interest receivable	1,353,719,450 <u>500</u>	15,402,253 <u>690</u>	
B. Free shipments	0 <u>510</u>	8,690,636 <u>700</u>	
C. Loans and advances	0 <u>520</u>	0 <u>710</u>	
D. Miscellaneous	103,745,407 <u>530</u>	6,389,655,900 <u>720</u>	
E. Collateral accepted under SFAS 140	16,372,695,776 <u>536</u>		
F. SPE Assets	0 <u>537</u>		24,243,909,422 <u>930</u>
18. TOTAL ASSETS \$	316,301,014,082 <u>540</u>	\$ 16,525,030,473 <u>740</u>	\$ 332,826,044,555 <u>940</u>

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER	as of <u>12/31/18</u>
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

Liabilities	Total
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements"	\$ 0 1460
B. Other	0 1470
20. Securities sold under repurchase agreements.	134,972,142,234 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	823,652,592 1490
2. Other	381,706,838 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	4,701,634,509 1510
2. Other	37,859,938,982 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	19,166,899,904 1530
2. Other	142,127 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	0 1550
2. Other	1,798,252,215 1560
E. Other	2,552,346,791 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ <u>13,218,471,924</u> 950	17,467,786,101 1580
B. Commodities accounts	18,196,584,811 1590
23. Payable to non customers:	
A. Securities accounts	315,492,895 1600
B. Commodities accounts	2,180,335,421 1610
24. Derivative Payables:	2,492,098,846 1561
25. Trade Date Payable:	0 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ <u>775,367,525</u> 960	15,905,941,210 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	615,825,811 1630
B. Accounts payable	1,488,040,532 1640
C. Income taxes payable	743,239,947 1650
D. Deferred income taxes	0 1660
E. Accrued expenses and other liabilities . .	2,539,235,251 1670
F. Other	0 1680
G. Obligation to return securities	19,465,585,077 1686
H. SPE Liabilities	0 1687

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>12/31/18</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>		<u>Total</u>
28. Notes and mortgages payable:		
A. Unsecured	\$ 15,843,494,025	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	\$ 311,588,376,119	1760
<u>Ownership Equity</u>		
31. Sole proprietorship	\$ 0	1770
32. Partnership - limited partners	\$ 0	1780
33. Corporation:		
A. Preferred stock	0	1791
B. Common stock	1,000	1792
C. Additional paid- in capital	11,025,261,009	1793
D. Retained Earnings	10,212,406,427	1794
E. Total	21,237,668,436	1795
F. Less capital stock in treasury	(0)	1796
34. TOTAL OWNERSHIP EQUITY	\$ 21,237,668,436	1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 332,826,044,555	1810

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

PART II CSE

BROKER OR DEALER	as of 12/31/18
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$ 21,237,668,436	3480
2. Deduct: Ownership equity not allowable for Net Capital	(0)	3490
3. Total ownership equity qualified for Net Capital	21,237,668,436	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	\$ 33,315,668,436	3530
6. Deductions and/or charges:		
A. Total non-allowable assets from		
Statement of Financial Condition (Notes B and C)	\$ 16,525,030,473	3540
1. Additional charges for customers' and non-customers' security accounts	38,045,936	3550
2. Additional charges for customers' and non-customers' commodity accounts	0	3560
B. Aged fail-to-deliver:	45,411,118	3570
1. number of items	970	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	1,466,398,335	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	(18,074,885,862)	3620
7. Other additions and/or allowable credits (List)	0	3630
8. Tentative Net Capital	\$ 15,240,782,574	3640
9. Total Market Risk Exposure	\$ 1,798,926,794	3635
10. Total Credit Risk Exposure	\$ 44,617	3679
11. Net Capital	\$ 13,441,811,163	3750

OMIT PENNIES

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 12/31/18

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	\$	2,035,716,544	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	594,795,564	3880
14. Net capital requirement (greater of line 12 or 13)	\$	2,035,716,544	3760
15. Excess net capital (line 11 less 14)	\$	11,406,094,619	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	45.19	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)	%	45.19	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	11,306,798,084	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	18.67	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	%	0.00	3852