

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

2018-09-26 12:26PM EDT
Status: Accepted

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)

04/01/18 24

AND ENDING (MM/DD/YY)

06/30/18 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

32

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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 _____ day of _____ 20 _____

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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PART II CSE

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

STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 06/30/18 99
 SEC FILE NO. 8-07221 98
 Consolidated 198
 Unconsolidated 199

	ASSETS		Nonallowable		Total
	Allowable				
1. Cash	\$ 1,838,012,793	200			\$ 1,838,012,793 750
2. Cash segregated in compliance with federal and other regulations	6,481,535,952	210			6,481,535,952 760
3. Receivable from brokers or dealers and clearing organizations:					
A. Failed to deliver:					
1. Includable in "Formula for Reserve Requirements"	630,333,701	220			
2. Other	1,945,772,786	230			2,576,106,487 770
B. Securities borrowed:					
1. Includable in "Formula for Reserve Requirements"	15,650,243,429	240			
2. Other	74,972,576,846	250			90,622,820,275 780
C. Omnibus accounts:					
1. Includable in "Formula for Reserve Requirements"	0	260			
2. Other	3,045,074,716	270			3,045,074,716 790
D. Clearing Organizations:					
1. Includable in "Formula for Reserve Requirements"	0	280			
2. Other	13,727,568,807	290			13,727,568,807 800
E. Other	169,452,221	300	\$ 184,595,787	550	354,048,008 810
4. Receivables from customers:					
A. Securities accounts:					
1. Cash and fully secured accounts	8,579,572,158	310			
2. Partly secured accounts	0	320	9,412,154	560	
3. Unsecured Accounts			70,950,361	570	
B. Commodity accounts	292,445,929	330	1,709,804	580	
C. Allowance for doubtful accounts	(0)	335	(1,535,620)	590	8,952,554,786 820
5. Receivables from non-customers:					
A. Cash and fully secured accounts	200,286,577	340			
B. Partly secured and unsecured accounts	0	350	0	600	200,286,577 830
6. Securities purchased under agreements to resell	76,436,218,758	360	0	605	76,436,218,758 840
7. Derivative Receivables:	430,737,953	291			430,737,953 801
8. Trade Date Receivable:	0	292			0 802
9. Securities and spot commodities owned, at market value:	63,871,527,588	849			63,871,527,588 850
Includes encumbered securities of					
..... \$	17,589,617,958	120			

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
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BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 06/30/18

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

Allowable

Nonallowable

Total

10. Securities owned not readily marketable:

A. At Cost \$	0 130	\$	0 440	\$	5,125,575,641 610	\$	5,125,575,641 860
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11. Other investments not readily marketable:

A. At Cost \$	0 140						
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B. At estimated fair value	0 450		71,113,822 620		71,113,822 870		
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12. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:

A. Exempted

securities \$	0 150						
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B. Other \$	0 160	\$	0 460	\$	0 630	\$	0 880
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13. Secured demand notes-market value of collateral:

A. Exempted

securities \$	0 170						
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B. Other \$	0 180	\$	0 470	\$	0 640	\$	0 890
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14. Memberships in exchanges:

A. Owned, at market

value \$	6,753,420 190						
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B. Owned at cost					0 650		
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C. Contributed for use of company, at market value

					0 660		0 900
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15. Investment in and receivables from affiliates, subsidiaries and associated partnerships

	0 480		3,894,219,912 670		3,894,219,912 910		
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16. Property, furniture, equipment, leasehold improvements and rights under

lease agreements:

At cost (net of accumulated

depreciation and amortization)	0 490				251,322,278 680		251,322,278 920
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17. Other Assets:

A. Dividends and interest receivable	797,111,158 500				5,057,170 690		
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B. Free shipments	0 510				19,166,649 700		
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C. Loans and advances	0 520				0 710		
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D. Miscellaneous	137,207,949 530				6,601,327,618 720		
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E. Collateral accepted under SFAS 140	19,178,455,142 536						
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F. SPE Assets	0 537						26,738,325,686 930
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18. TOTAL ASSETS \$	288,384,134,463 540	\$	16,232,915,576 740	\$	304,617,050,039 940	\$	
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FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT
PART II CSE

2018-09-26 12:26PM EDT
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BROKER OR DEALER MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	as of <u>06/30/18</u>
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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements"	\$ <u>892</u> 1460
B. Other	<u>0</u> 1470
20. Securities sold under repurchase agreements.	<u>110,381,074,226</u> 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	<u>1,257,116,309</u> 1490
2. Other	<u>740,658,050</u> 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	<u>4,944,531,405</u> 1510
2. Other	<u>38,456,908,872</u> 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	<u>14,658,031,933</u> 1530
2. Other	<u>0</u> 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	<u>0</u> 1550
2. Other	<u>1,457,018,514</u> 1560
E. Other	<u>1,435,510,373</u> 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ <u>13,150,074,621</u> 950	<u>17,305,309,415</u> 1580
B. Commodities accounts	<u>16,174,819,300</u> 1590
23. Payable to non customers:	
A. Securities accounts	<u>0</u> 1600
B. Commodities accounts	<u>2,032,015,953</u> 1610
24. Derivative Payables:	<u>597,766,943</u> 1561
25. Trade Date Payable:	<u>188,417,116</u> 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ <u>1,157,569,897</u> 960	<u>22,254,238,669</u> 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	<u>425,579,856</u> 1630
B. Accounts payable	<u>16,659,125,660</u> 1640
C. Income taxes payable	<u>0</u> 1650
D. Deferred income taxes	<u>0</u> 1660
E. Accrued expenses and other liabilities ..	<u>1,973,142,917</u> 1670
F. Other	<u>0</u> 1680
G. Obligation to return securities	<u>21,542,460,915</u> 1686
H. SPE Liabilities	<u>0</u> 1687

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 06/30/18

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	\$ 284,561,727,318 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	11,025,261,009 1793
D. Retained Earnings	9,030,060,712 1794
E. Total	20,055,322,721 1795
F. Less capital stock in treasury	(0) 1796
34. TOTAL OWNERSHIP EQUITY	\$ 20,055,322,721 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 304,617,050,039 1810

OMIT PENNIES

BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 06/30/18

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	20,055,322,721	3480
2. Deduct: Ownership equity not allowable for Net Capital		(0)	3490
3. Total ownership equity qualified for Net Capital		20,055,322,721	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	\$	32,133,322,721	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	16,232,915,576	3540
1. Additional charges for customers' and non-customers' security accounts		41,540,784	3550
2. Additional charges for customers' and non-customers' commodity accounts		0	3560
B. Aged fail-to-deliver:		58,705,832	3570
1. number of items	5,880		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		831,576,974	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		(17,164,739,166)	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	14,968,583,555	3640
9. Total Market Risk Exposure	\$	1,461,984,291	3635
10. Total Credit Risk Exposure	\$	18,147	3679
11. Net Capital	\$	13,506,581,117	3750

OMIT PENNIES

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as of 06/30/18

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	\$	1,808,643,143	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	617,181,916	3880
14. Net capital requirement (greater of line 12 or 13)	\$	1,808,643,143	3760
15. Excess net capital (line 11 less 14)	\$	11,697,937,974	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	39.15	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)	%	39.15	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	11,336,209,345	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	19.36	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