

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 September 26, 2003

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.

942,398,722 shares of Common Stock and 2,901,850 Exchangeable Shares as of the close of business on October 31, 2003. The Exchangeable Shares, which were issued by Merrill Lynch & Co., Canada Ltd. in connection with the merger with Midland Walwyn Inc., are exchangeable at any time into Common Stock on a one-for-one basis and entitle holders to dividend, voting, and other rights equivalent to Common Stock.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

<TABLE>
<CAPTION>

	For the Three Months Ended		Inc.
	Sept. 26, 2003	Sept. 27, 2002	
Percent (in millions, except per share amounts) (Dec.)			
-----	-----	-----	-----
<S>	<C>	<C>	
<C>			
NET REVENUES			
Asset management and portfolio service fees (2.7)%	\$ 1,184	\$ 1,217	
Commissions (0.4)	1,120	1,125	
Principal transactions 87.0	705	377	
Investment banking			
Underwriting	545	329	

65.7		
	Strategic advisory	133
(18.4)		163
	Other	300
81.8		165

	Subtotal	3,987
18.1		3,376

	Interest and dividend revenues	2,873
(17.5)		3,484
	Less interest expense	1,794
(28.2)		2,498

	Net interest profit	1,079
9.4		986

	TOTAL NET REVENUES	5,066
16.1		4,362

	NON-INTEREST EXPENSES	
	Compensation and benefits	2,393
7.4		2,228
	Communications and technology	352
(16.4)		421
	Occupancy and related depreciation	226
3.7		218
	Brokerage, clearing, and exchange fees	188
3.3		182
	Advertising and market development	89
(28.8)		125
	Professional fees	146
8.1		135
	Office supplies and postage	46
(25.8)		62
	Other	138
6.2		130
	Net recoveries related to September 11	(21)
(89.0)		(191)
	Restructuring - related credit	-
(100.0)		(2)

	TOTAL NON-INTEREST EXPENSES	3,557
7.5		3,308

	EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	1,509
43.2		1,054
	Income tax expense	422
34.8		313
	Dividends on preferred securities issued by subsidiaries	48
-		48

	NET EARNINGS	\$ 1,039
49.9		\$ 693
		=====
	NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS	\$ 1,030
50.8		\$ 683
		=====
	EARNINGS PER COMMON SHARE	
	Basic	\$ 1.14
		=====
	Diluted	\$ 1.04
		=====
	DIVIDEND PAID PER COMMON SHARE	\$ 0.16
		=====
	AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE	
	Basic	904.8
		=====
	Diluted	991.1
		=====

See Notes to Condensed Consolidated Financial Statements
</TABLE>

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

<TABLE>
<CAPTION>

Percent (in millions, except per share amounts) (Dec.)	For the Nine Months Ended		Inc.
	Sept. 26, 2003	Sept. 27, 2002	
	<S>	<C>	---
	<C>	<C>	
NET REVENUES			
Asset management and portfolio service fees (9.0)%	\$ 3,465	\$ 3,808	
Commissions (9.7)	3,233	3,579	
Principal transactions 42.0	2,815	1,982	
Investment banking Underwriting 14.0	1,478	1,296	
Strategic advisory (27.6)	391	540	
Other 28.7	776	603	
Subtotal 3.0	12,158	11,808	
Interest and dividend revenues (10.5)	8,922	9,966	
Less interest expense (20.8)	5,841	7,371	
Net interest profit 18.7	3,081	2,595	
TOTAL NET REVENUES 5.8	15,239	14,403	
NON-INTEREST EXPENSES			
Compensation and benefits 1.7	7,567	7,443	
Communications and technology (14.9)	1,112	1,307	
Occupancy and related depreciation (3.1)	663	684	
Brokerage, clearing, and exchange fees (4.5)	527	552	
Advertising and market development (24.2)	323	426	
Professional fees 8.3	430	397	
Office supplies and postage (21.4)	154	196	
Other 17.6	548	466	
Net recoveries related to September 11 (57.1)	(82)	(191)	
Restructuring - related credit (100.0)	-	(2)	
Research - related expenses (100.0)	-	111	
TOTAL NON-INTEREST EXPENSES (1.3)	11,242	11,389	

EARNINGS BEFORE INCOME TAXES AND DIVIDENDS ON PREFERRED SECURITIES ISSUED BY SUBSIDIARIES 32.6	3,997	3,014
Income tax expense 23.8	1,109	896
Dividends on preferred securities issued by subsidiaries (0.7)	143	144
	-----	-----
NET EARNINGS 39.1	\$ 2,745	\$ 1,974
	=====	=====
NET EARNINGS APPLICABLE TO COMMON STOCKHOLDERS 39.7	\$ 2,717	\$ 1,945
	=====	=====
EARNINGS PER COMMON SHARE		
Basic	\$ 3.03	\$ 2.26
	=====	=====
Diluted	\$ 2.81	\$ 2.07
	=====	=====
DIVIDEND PAID PER COMMON SHARE	\$ 0.48	\$ 0.48
	=====	=====
AVERAGE SHARES USED IN COMPUTING EARNINGS PER COMMON SHARE		
Basic	896.5	860.4
	=====	=====
Diluted	965.2	942.0
	=====	=====

 See Notes to Condensed Consolidated Financial Statements
 </TABLE>

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

<TABLE>
 <CAPTION>

	Sept. 26,
	2003
Dec. 27, (dollars in millions) 2002	
-----	-----
	<C>
ASSETS	
CASH AND CASH EQUIVALENTS \$ 10,211	\$ 15,532
CASH AND SECURITIES SEGREGATED FOR REGULATORY PURPOSES OR DEPOSITED WITH CLEARING ORGANIZATIONS 7,375	6,371
SECURITIES FINANCING TRANSACTIONS	
Receivables under resale agreements 75,292	79,116
Receivables under securities borrowed transactions 45,543	45,556

120,835	124,672
TRADING ASSETS, AT FAIR VALUE (includes securities pledged as collateral of \$18,081 in 2003 and \$11,344 in 2002)	
Contractual agreements 38,728	39,343
Corporate debt and preferred stock 18,569	22,169
Equities and convertible debentures 13,530	17,938
Non-U.S. governments and agencies 10,095	17,407
Mortgages, mortgage-backed, and asset-backed	16,552

14,987		
U.S. Government and agencies		13,414
10,116		
Municipals and money markets		4,730
5,535		
-----		-----
		131,553
111,560		
INVESTMENT SECURITIES		79,558
81,787		
SECURITIES RECEIVED AS COLLATERAL		5,148
2,020		
OTHER RECEIVABLES		
Customers (net of allowance for doubtful accounts of \$60 in 2003 and \$79 in 2002)		41,913
35,317		
Brokers and dealers		3,454
8,485		
Interest and other		10,195
10,581		
-----		-----
		55,562
54,383		
-----		-----
LOANS, NOTES, AND MORTGAGES (net of allowances of \$274 in 2003 and \$265 in 2002)		40,370
34,735		
SEPARATE ACCOUNTS ASSETS		15,513
13,042		
EQUIPMENT AND FACILITIES (net of accumulated depreciation and amortization of \$4,984 in 2003 and \$4,671 in 2002)		2,606
3,080		
GOODWILL (net of accumulated amortization of \$1,011 in 2003 and \$984 in 2002)		4,596
4,446		
OTHER ASSETS		4,286
4,454		
-----		-----
TOTAL ASSETS		\$485,767
\$447,928		
=====		=====

</TABLE>

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

<TABLE>		
<CAPTION>		
	Sept. 26,	Dec.
27,		
(dollars in millions, except per share amount)	2003	
2002		
-----	-----	---
<S>	<C>	
<C>		
LIABILITIES		
SECURITIES FINANCING TRANSACTIONS		
Payables under repurchase agreements	\$ 95,939	\$
85,378		
Payables under securities loaned transactions	7,391	
7,640		
---	-----	-----
	103,330	
93,018	-----	-----

COMMERCIAL PAPER AND OTHER SHORT-TERM BORROWINGS	3,015	

5,353		
DEPOSITS	79,312	
81,842		
TRADING LIABILITIES, AT FAIR VALUE		
Contractual agreements	45,198	
45,202		
U.S. Government and agencies	17,119	
14,678		
Non-U.S. governments and agencies	12,257	
7,952		
Corporate debt, municipals and preferred stock	8,894	
6,500		
Equities and convertible debentures	8,084	
4,864		
---	-----	-----
	91,552	
79,196	-----	-----

OBLIGATION TO RETURN SECURITIES RECEIVED AS COLLATERAL	5,148	
2,020		
Other payables		
Customers	34,525	
28,569		
Brokers and dealers	16,509	
16,541		
Interest and other	24,017	
20,724		
---	-----	-----
	75,051	
65,834	-----	-----

LIABILITIES OF INSURANCE SUBSIDIARIES	3,397	
3,566		
SEPARATE ACCOUNTS LIABILITIES	15,513	
13,042		
LONG-TERM BORROWINGS	80,706	
78,524		
---	-----	-----
TOTAL LIABILITIES	457,024	
422,395	-----	-----

PREFERRED SECURITIES ISSUED BY SUBSIDIARIES	2,666	
2,658	-----	-----

STOCKHOLDERS' EQUITY		
PREFERRED STOCKHOLDERS' EQUITY (42,500 shares issued and outstanding,	425	
425		
liquidation preference \$10,000 per share)	-----	-----
--		
COMMON STOCKHOLDERS' EQUITY		
Shares exchangeable into common stock	43	
58		
Common stock (par value \$1.33 1/3 per share; authorized: 3,000,000,000 shares;		
issued: 2003 - 1,056,070,197 shares; 2002 - 983,502,078 shares)	1,408	
1,311		
Paid-in capital	6,385	
5,315		
Accumulated other comprehensive loss (net of tax)	(511)	
(570)		
Retained earnings	20,344	
18,072		
---	-----	-----
	27,669	
24,186		
Less: Treasury stock, at cost: 2003 - 117,516,610 shares; 2002 - 116,211,158 shares	1,207	961
Unamortized employee stock grants	810	
775		

---	-----	-----
TOTAL COMMON STOCKHOLDERS' EQUITY	25,652	
22,450	-----	-----

TOTAL STOCKHOLDERS' EQUITY	26,077	
22,875	-----	-----

TOTAL LIABILITIES, PREFERRED SECURITIES ISSUED BY SUBSIDIARIES, AND STOCKHOLDERS' EQUITY	\$485,767	
\$447,928	=====	-

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 Nine Months Ended	
	Sept. 26, 2003	Sept. 27, 2002
	-----	-----
<S>	<C>	<C>
(dollars in millions)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	\$ 2,745	\$ 1,974
Noncash items included in earnings:		
Depreciation and amortization	430	491
Policyholder reserves	120	127
Amortization of stock-based compensation	449	493
Deferred taxes	134	29
Undistributed (earnings) loss from equity investments	(82)	30
Other	(40)	539
Changes in operating assets and liabilities:		
Trading assets	(20,089)	(8,400)
Cash and securities segregated for regulatory purposes or deposited with clearing organizations	1,004	(3,506)
Receivables under resale agreements	(3,829)	(5,608)
Receivables under securities borrowed transactions	(13)	2,668
Customer receivables	(6,577)	3,170
Brokers and dealers receivables	5,031	(1,914)
Trading liabilities	12,015	12,380
Payables under repurchase agreements	10,561	12,898
Payables under securities loaned transactions	(249)	(2,643)
Customer payables	5,956	423
Brokers and dealers payables	(32)	313
Other, net	3,882	6,446
	-----	-----
Cash provided by operating activities	11,416	19,910
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from (payments for):		
Maturities of available-for-sale securities	22,498	20,350
Sales of available-for-sale securities	49,960	36,646
Purchases of available-for-sale securities	(65,568)	(52,619)
Maturities of held-to-maturity securities	998	145
Purchases of held-to-maturity securities	(1,288)	(282)
Loans, notes, and mortgages	(6,063)	(11,770)
Other investments and other assets	(3,303)	(1,755)
Equipment and facilities	44	(658)
	-----	-----
Cash used for investing activities	(2,722)	(9,943)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments for):		
Commercial paper and other short-term borrowings	(2,338)	1,478
Deposits	(2,530)	(4,994)
Issuance and resale of long-term borrowings	22,037	18,313
Settlement and repurchases of long-term borrowings	(20,908)	(22,970)

Derivative financing transactions	341	-
Issuance of common stock	440	225
Issuance of treasury stock	10	5
Other common stock transactions	48	(58)
Dividends	(473)	(443)
	-----	-----
Cash used for financing activities	(3,373)	(8,444)
	-----	-----
Increase in cash and cash equivalents	5,321	1,523
Cash and cash equivalents, beginning of year	10,211	11,070
	-----	-----
Cash and cash equivalents, end of period	\$15,532	\$12,593
	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for:		
Income taxes	\$ 59	\$ 631
Interest	5,726	7,535

See Notes to Condensed Consolidated Financial Statements
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MERRILL LYNCH & CO., INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
SEPTEMBER 26, 2003

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 27, 2002 ("2002 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"). All material intercompany balances have been eliminated. The interim condensed consolidated financial statements for the three-and nine-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 2002 Annual Report. The December 27, 2002 unaudited Condensed Consolidated Balance Sheet was derived from the audited 2002 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 July 7, 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP provides guidance on accounting and reporting by insurance companies for certain nontraditional long-duration contracts and for separate accounts. The SOP is effective for financial statements for Merrill Lynch beginning in 2004. The SOP requires 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 currently employs. Had Merrill Lynch adopted SOP 03-1 at September 26, 2003, the estimated pre-tax impact to the Condensed Consolidated Statement of Earnings would be between \$90 million and \$100 million of additional expense; however, the ultimate impact of adoption in 2004 will depend on market conditions at that time.

On May 15, 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 changes the accounting for certain financial instruments, including mandatorily redeemable preferred stock and certain freestanding equity

derivatives, which under previous guidance were accounted for as equity. SFAS No. 150 requires that mandatorily redeemable preferred shares, written put options and physically settled forward purchase contracts on an issuer's shares, and certain financial instruments that must be settled by issuing a variable number of an issuer's shares, be classified as liabilities in the Condensed Consolidated Balance Sheets. SFAS No. 150 must be applied immediately to instruments entered into or modified after May 31, 2003 and to all other preexisting instruments beginning in the third quarter of this year. The adoption of SFAS No. 150 did not have a material impact on the Condensed Consolidated Financial Statements.

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On April 30, 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. The new guidance amends SFAS No. 133 for decisions made as part of the Derivatives Implementation Group ("DIG") process that effectively required amendments to SFAS No. 133, and decisions made in connection with other FASB projects dealing with financial instruments and in connection with implementation issues raised in relation to the application of the definition of a derivative and characteristics of a derivative that contains financing components. In addition, it clarifies when a derivative contains a financing component that warrants special reporting in the statement of cash flows. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. During the third quarter of 2003, in accordance with SFAS No. 149, Merrill Lynch modified its classification within the Condensed Consolidated Statement of Cash Flows. Certain derivative instruments entered into or modified after June 30, 2003, and that have been determined to contain a financing element at inception and where Merrill Lynch is deemed the borrower, are now included as a separate component within Cash flows from financing activities. Prior to July 1, 2003, the activity associated with such derivative instruments is included within Cash flows from operating activities. The adoption of SFAS No. 149 did not have a material impact on the Condensed Consolidated Financial Statements.

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 Variable Interest Entity ("VIE"), more commonly referred to as an SPE, or special purpose entity. 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 46 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 46 does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. Merrill Lynch adopted FIN 46 on February 1, 2003 for VIEs with which it became involved after January 31, 2003. On October 8, 2003, the FASB deferred the effective date for preexisting VIEs to the period ending after December 15, 2003. As a result, Merrill Lynch will adopt FIN 46 for pre-existing contracts in the fourth quarter of this year and does not expect the adoption to have a material impact on the Consolidated Financial Statements. See Note 5 to the Condensed Consolidated Financial Statements for additional FIN 46 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. SFAS No. 148 permits three alternative methods for a voluntary transition to the fair value based method of accounting for employee stock-based compensation. SFAS No. 148 continues to permit prospective application for companies that adopt this standard prior to the beginning of fiscal year 2004. SFAS No. 148 also allows for a modified prospective application, which requires the fair value of all unvested awards to be amortized over the remaining service period, as well as restatement of prior years' expense. The transition guidance and disclosure provisions of SFAS No. 148 were effective for fiscal years ending after December 15, 2002. See Note 11 to the Condensed Consolidated Financial Statements for these disclosures. Merrill Lynch is continuing to evaluate the transition guidance of SFAS No. 148 and currently accounts for stock based compensation in accordance with the intrinsic value-based method in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees.

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On November 25, 2002, the FASB issued FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements Nos. 5, 57, and 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires guarantors to disclose their obligations under certain guarantees. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosures were

effective for financial statements of interim or annual periods ending after December 15, 2002. See Note 10 to the Condensed Consolidated Financial Statements for these disclosures.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 replaces the guidance provided by EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). Merrill Lynch adopted SFAS No. 146 as of January 1, 2003, which had no material impact on the Condensed Consolidated Financial Statements.

NOTE 2. 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 fourth quarter 2001 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 and a rollforward of staff reductions at September 26, 2003 are as follows:

<TABLE>
<CAPTION>
(dollars in millions)

26,	Initial Balance	Utilized in			Balance Sept. 2003
		2001	2002 (1)	2003	
<S>	<C>	<C>	<C>	<C>	<C>
Category:					
Severance costs	\$ 1,133	\$ (214)	\$ (874)	\$ (27)	\$ 18
Facilities costs	299	-	(15)	(72)	212
Technology and fixed asset write-offs	187	(187)	-	-	-
Other Costs	178	-	(119)	-	59
	\$ 1,797	\$ (401)	\$ (1,008)	\$ (99)	\$ 289
Staff Reductions	6,205	(749)	(5,233)	(102)	121

(1) The 2002 utilization included changes in estimates which are attributable to differences in actual costs from initial estimates in implementing the original restructuring plan. As a result of changes in estimates, net reserves of \$9 million were reversed in 2002. Refer to Note 3 in the 2002 Annual Report for additional information.

</TABLE>

NOTE 3. 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 2002 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 SEPTEMBER 26, 2003					
Non-interest revenues	\$ 1,690	\$ 1,958	\$ 346	\$ (7) (1)	\$ 3,987
Net interest profit(2)	796	350	6	(73) (3)	1,079
--	-----	-----	-----	-----	-----
Net revenues 5,066	2,486	2,308	352	(80)	
Non-interest expenses	1,464	1,842	275	(24) (4)	3,557
--	-----	-----	-----	-----	-----
Pre-tax earnings (loss)	\$ 1,022	\$ 466	\$ 77	\$ (56)	\$ 1,509
=====	=====	=====	=====	=====	=====
Quarter-end total assets	\$411,447	\$64,224	\$5,500	\$4,596	\$485,767
=====	=====	=====	=====	=====	=====

	GMI	GPC	MLIM	Corporate Items	
Total	-----	-----	-----	-----	-----
--					
THREE MONTHS ENDED SEPTEMBER 27, 2002					
Non-interest revenues	\$ 1,270	\$ 1,762	\$ 356	\$ (12) (1)	\$ 3,376
Net interest profit(2)	652	323	4	7 (3)	986
--	-----	-----	-----	-----	-----
Net revenues 4,362	1,922	2,085	360	(5)	
Non-interest expenses	1,378	1,768	293	(131) (4)	3,308
--	-----	-----	-----	-----	-----
Pre-tax earnings	\$ 544	\$ 317	\$ 67	\$ 126	\$ 1,054
=====	=====	=====	=====	=====	=====
Quarter-end total assets	\$384,267	\$58,154	\$5,398	\$4,321	\$452,140
=====	=====	=====	=====	=====	=====

(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.
(4) Represents elimination of intersegment revenues and expenses. 2003 also includes September 11-related expenses and a litigation credit. 2002 also included a September 11-related net recovery.

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<TABLE>
<CAPTION>
(dollars in millions)

	GMI	GPC	MLIM	Corporate Items	
Total	-----	-----	-----	-----	-----
--					
<S>	<C>	<C>	<C>	<C>	
<C>					
NINE MONTHS ENDED SEPTEMBER 26, 2003					
Non-interest revenues	\$ 5,651	\$ 5,532	\$1,001	\$ (26) (1)	\$ 12,158
Net interest profit(2)	2,183	1,004	18	(124) (3)	3,081
--	-----	-----	-----	-----	-----
Net revenues	7,834	6,536	1,019	(150)	

securities were included in Accumulated other comprehensive loss at June 27, 2003. During the third quarter, the write-down was charged to earnings and removed from Accumulated other comprehensive loss.

 NOTE 5. SECURITIZATION TRANSACTIONS

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 \$48.5 billion for the nine months ended September 26, 2003. For the nine months ended September 26, 2003 and September 27, 2002, Merrill Lynch received \$49.1 billion and \$32.3 billion, respectively, of proceeds, and other cash inflows, from new securitization transactions, and recognized net securitization gains, excluding gains on related derivative transactions, of \$66.8 million and \$39.7 million, respectively in Merrill Lynch's Condensed Consolidated Statements of Earnings. Merrill Lynch generally records assets prior to securitization at fair value.

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For the first nine months of 2003 and 2002, cash inflows from securitizations related to the following asset types:

<TABLE>
 <CAPTION>
 (dollars in millions)

	Sept. 26, 2003	Sept. 27, 2002
<S>	<C>	<C>
Asset category		
Residential mortgage loans	\$35,105	\$21,841
Municipal bonds	8,409	5,652
Corporate and government bonds	1,330	1,932
Commercial loans and other	4,304	2,832
	-----	-----
	\$49,148	\$32,257

</TABLE>

Retained interests in securitized assets were approximately \$2.9 billion and \$3.3 billion at September 26, 2003 and December 27, 2002, 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 committed to purchase and expects to sell to investors in the normal course of its underwriting activity. Approximately 67% and 77% at September 26, 2003 and December 27, 2002, 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, \$702 million and \$851 million at September 26, 2003 and December 27, 2002, 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 September 26, 2003 arising from Merrill Lynch's residential mortgage loan, municipal bond and other securitization transactions. The sensitivity of the current fair value of the retained interests to immediate 10% and 20% adverse changes in those assumptions and parameters is also shown.

<TABLE>
 <CAPTION>
 (dollars in millions)

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>

Retained interest amount	\$2,077	\$ 702	\$ 106
Weighted average life (in years)	4.6	4.0	N/A
Range	0.0-19.0	0.1-25.3	N/A
Weighted average credit losses (rate per annum)	0.5%	0%	0.7%
Range	0.0-3.5%	0%	0.0-3.4%
Impact on fair value of 10% adverse change	\$ (4)	\$ -	\$ -
Impact on fair value of 20% adverse change	\$ (9)	\$ -	\$ (1)
Weighted average discount rate	6.2%	2.4%	5.7%
Range	0.0-75.0%	0.9-7.8%	1.0-25.0%
Impact on fair value of 10% adverse change	\$ (15)	\$ (49)	\$ (1)
Impact on fair value of 20% adverse change	\$ (24)	\$ (96)	\$ (3)
Weighted average prepayment speed (CPR)	19.0%	15.1%	N/A
Range	0.0-65.0%	11.3-15.9%	N/A
Impact on fair value of 10% adverse change	\$ (8)	\$ (1)	N/A
Impact on fair value of 20% adverse change	\$ (15)	\$ (2)	N/A

N/A=Not Applicable

CPR=Constant Prepayment Rate

</TABLE>

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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.

The weighted average assumptions and parameters used initially to value retained interests relating to securitizations effected in 2003 that were still held by Merrill Lynch as of September 26, 2003 are as follows:

<TABLE>

<CAPTION>

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
Weighted average life (in years)	5.3	N/A	N/A
Credit losses (rate per annum)	0.8%	0%	0.2%
Weighted average discount rate	6.1%	3.8%	2.9%
Prepayment speed assumption (CPR)	14.6%	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 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 \$17.5 billion and \$13.7 billion at September 26, 2003 and December 27, 2002,

respectively. The fair value of the commitments approximated \$10 million and \$69 million at September 26, 2003 and December 27, 2002, respectively, which is reflected in the Condensed Consolidated Financial Statements. Of these arrangements, \$3.1 billion and \$2.3 billion at September 26, 2003 and December 27, 2002, 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 10 to the Condensed Consolidated Financial Statements and in Note 14 in the 2002 Annual Report.

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The following table summarizes principal amounts outstanding, delinquencies, and net credit losses of securitized financial assets as of September 26, 2003 and December 27, 2002.

<TABLE>

<CAPTION>

(dollars in millions)

	Residential Mortgage Loans	Municipal Bonds	Other
<S>	<C>	<C>	<C>
September 26, 2003			
Principal Amount Outstanding	\$41,424	\$17,343	\$4,356
Delinquencies	68	-	-
Net Credit Losses	3	-	6
December 27, 2002			
Principal Amount Outstanding	\$23,107	\$18,379	\$2,476
Delinquencies	90	-	3
Net Credit Losses	5	-	44

</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. 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 46 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.

In accordance with the transition guidance in FIN 46, Merrill Lynch adopted the standard on February 1, 2003 for VIEs with which Merrill Lynch became involved after January 31, 2003. On October 8, 2003, the FASB deferred the effective date for preexisting VIEs to periods ending after December 15, 2003. As a result, Merrill Lynch will adopt FIN 46 for contracts entered into prior to February 1, 2003 in the fourth quarter of this year.

In the normal course of business, Merrill Lynch acts as a transferor, derivative counterparty, investor, arranger, structurer, underwriter, market-maker, guarantor, and/or liquidity provider to many VIEs. In addition, Merrill Lynch acts as transferor to certain entities that meet the requirements of qualifying special purpose entities, which are not consolidated in the Merrill Lynch Financial Statements in accordance with SFAS No. 140, but which are disclosed herein where Merrill Lynch typically holds a significant variable interest and the transaction type represents a significant Merrill Lynch sponsored program.

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

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- o Merrill Lynch is (or is likely to be deemed) 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 in the Condensed Consolidated Balance Sheet. Holders of the beneficial interests in

these VIEs have no recourse to the general credit of Merrill Lynch; rather their investment is paid exclusively from the convertible bonds held by the VIE. Assets held by these VIEs are currently reflected on the Condensed Consolidated Balance Sheet as a result of preexisting accounting guidance.

- o Merrill Lynch is (or is likely to be deemed) 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. Assets held by these VIEs are currently reflected on the Condensed Consolidated Balance Sheet as a result of preexisting accounting guidance.
- o Merrill Lynch structures and manages collateralized debt and collateralized loan obligation (CDOs and CLOs, respectively) VIEs that hold financial assets, such as fixed income securities and loan receivables. These VIEs are used by investors to acquire an interest in a certain risk profile associated with a pool of assets. Merrill Lynch anticipates that it will be the primary beneficiary of certain of these VIEs and a significant variable interest holder in others. The beneficial interest holders of these VIEs do not have recourse to Merrill Lynch, but are paid solely from the assets in the VIEs.
- 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. In certain VIEs of this nature, Merrill Lynch will likely be considered 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. The guarantees related to these funds are reflected in Note 10 to the Condensed Consolidated Financial Statements.
- o Merrill Lynch has made loans to VIEs that invest in loan receivable assets and real estate, and as a result of these loan investments Merrill Lynch is (or is likely to be deemed) the primary beneficiary. These VIEs are primarily designed to provide temporary financing to clients. Assets held by these VIEs are (or are likely to be) recorded in Other assets and/or Loans, notes and mortgages in the Condensed Consolidated Balance Sheet. The beneficial interest holders in these VIEs have no recourse to the general credit of Merrill Lynch; rather their investments are paid exclusively from the assets in the VIE.
- 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. Merrill Lynch is (or is likely to be deemed) a significant variable interest holder in these VIEs.
- 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 (or is likely to be deemed) a significant variable interest holder in these VIEs.
- o Merrill Lynch has (or is likely to be deemed to have) 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 10 to the Condensed Consolidated Financial Statements.

The below tables summarize Merrill Lynch's involvement with the VIEs listed above for the period after February 1, 2003. Where an entity is a significant variable interest holder, FIN 46 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, nor does it reflect the economic hedges Merrill Lynch enters into to reduce its exposure.

<TABLE>
<CAPTION>

Post February 1, 2003 (adopted)			
(in millions)			
-----		-----	
Primary Beneficiary		Significant Variable Interest Holder	

Asset	Recourse to	Asset	Maximum

Description	Size	Merrill Lynch(4)	Size	Exposure
<S>	<C>	<C>	<C>	<C>
Convertible Bond Stripping	\$351	None		
Maturity Shortening	\$266	\$76		
Loan and Real Estate VIEs	\$ 84	None		
Synthetic Credit Risk VIEs(1)			\$1,196	\$ 112
Foreign Tax Planning VIEs(2)			\$ 354	\$ 31
Municipal Bond Securitizations (3)			\$4,800	\$4,800

</TABLE>

- (1) The maximum exposure for Synthetic Credit Risk VIEs is the asset carrying value of the derivatives entered into with the VIEs as of September 26, 2003.
- (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 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. In addition, Merrill Lynch enters into economic hedges that are designed to be effective in principally offsetting Merrill Lynch's exposure to loss.
- (4) This column reflects the extent, if any, to which investors have recourse to Merrill Lynch beyond the assets held in the VIE.

As noted above, Merrill Lynch has not adopted FIN 46 for VIE transactions entered into prior to February 1, 2003. Merrill Lynch does not expect the fourth quarter adoption to have a material impact on the Consolidated Financial Statements. Based on the current requirements of FIN 46 and Merrill Lynch's best estimate of the impact of adoption, Merrill Lynch expects to be the primary beneficiary and therefore required to consolidate assets estimated to equal \$2.8 billion, which would result an estimated increase of assets on the Consolidated Balance Sheet of \$1.1 billion (based on September 26, 2003 values). In addition, Merrill Lynch expects to disclose as a significant variable interest holder its involvement with VIEs that hold an estimated \$22.0 billion of assets.

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NOTE 6. LOANS, NOTES, AND MORTGAGES AND RELATED COMMITMENTS TO EXTEND CREDIT

Loans, Notes, and Mortgages and related commitments to extend credit at September 26, 2003 and December 27, 2002, are presented below:

	Loans		Commitments	
	Sept. 26, 2003	Dec. 27, 2002	Sept. 26, 2003(1)	Dec. 27, 2002
<S>	<C>	<C>	<C>	<C>
Consumer and small and middle-market business - secured	\$25,687	\$22,638	\$ 9,397	\$ 7,687
Commercial:				
Secured	12,857	7,966	8,406	5,074
Unsecured investment grade	1,323	3,434	14,201	10,882
Unsecured non-investment grade	503	697	756	300
Total	\$40,370	\$34,735	\$32,760	\$23,943

(1) See Note 10 for a maturity profile of these commitments.

</TABLE>

The loan amounts are net of an allowance for loan losses of \$274 million and \$265 million as of September 26, 2003 and December 27, 2002, respectively.

Consumer and small and middle-market business loans consisted of approximately 190,000 individual loans at September 26, 2003 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, substantially all of which are secured by real and/or personal property. Commercial loans, which at September 26, 2003 consisted of approximately 6,000 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 \$4.4 billion and \$3.8 billion at September 26, 2003 and December 27, 2002, respectively.

The above amounts include \$5.8 billion and \$6.2 billion of loans held for sale at September 26, 2003 and December 27, 2002, respectively. Loans held for sale are loans which management expects to sell prior to maturity. At September 26, 2003, such loans consisted of \$4.3 billion of consumer loans, primarily residential mortgages, and \$1.5 billion of commercial loans, approximately 47% of which are to investment grade counterparties. At December 27, 2002, such loans consisted of \$3.2 billion of consumer loans, primarily residential mortgages, and \$3.0 billion of commercial loans, approximately 49% of which were to investment grade counterparties. For information on the accounting policy related to loans, notes and mortgages, see Note 1 in the 2002 Annual Report.

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NOTE 7. SHORT-TERM BORROWINGS AND DEPOSITS

Short-term borrowings and Deposits at September 26, 2003 and December 27, 2002 are presented below:

<TABLE>
<CAPTION>
(dollars in millions)

	Sept. 26, 2003	Dec. 27, 2002
<S>	<C>	<C>
Commercial paper and other short-term borrowings		
Commercial paper	\$ 2,203	\$ 3,966
Other	812	1,387
Total	\$ 3,015	\$ 5,353
Deposits		
U.S.	\$65,569	\$68,550
Non U.S.	13,743	13,292
Total	\$79,312	\$81,842

</TABLE>

NOTE 8. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Three Months Ended		Nine Months Ended	
	Sept. 26, 2003	Sept. 27, 2002	Sept. 26, 2003	Sept. 27, 2002
<S>	<C>	<C>	<C>	<C>
Net Earnings	\$1,039	\$693	\$2,745	\$1,974
Other comprehensive income (loss), net of tax:				
Currency translation adjustment	16	(5)	20	(29)
Net unrealized gain (loss) on investment securities available-for-sale	(35)	(50)	32	(14)
Deferred gain (loss) on cash flow hedges	13	(6)	7	(20)
Total other comprehensive income (loss), net of tax	(6)	(61)	59	(63)
Comprehensive income	\$1,033	\$632	\$2,804	\$1,911

</TABLE>

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NOTE 9. EARNINGS PER COMMON SHARE

The computation of earnings per common share is as follows:

	Three Months Ended		Nine Months Ended	
	Sept. 26, 2003	Sept. 27, 2002	Sept. 26, 2003	Sept. 2002
Net Earnings	\$ 1,039	\$ 693	\$ 2,745	\$ 1,974
Preferred stock dividends	9	10	28	29
Net earnings applicable to common stockholders	\$ 1,030	\$ 683	\$ 2,717	\$ 1,945
Weighted-average shares outstanding	904,829	864,629	896,528	860,370
Effect of dilutive instruments(1) (2):				
Employee stock options	37,512	21,917	27,249	33,038
Financial Advisor Capital Accumulation Award Plan shares	24,158	23,083	22,167	24,080
Restricted shares and units	24,526	24,787	19,175	24,433
Employee Stock Purchase Plan shares	41	61	72	80
Dilutive potential common shares	86,237	69,848	68,663	81,631
Total weighted-average diluted shares	991,066	934,477	965,191	942,001
Basic earnings per common share	\$1.14	\$0.79	\$3.03	\$2.26
Diluted earnings per common share	\$1.04	\$0.73	\$2.81	\$2.07

(1) During the 2003 and 2002 third quarter there were 78 million and 179 million instruments, respectively, that were considered antidilutive and not included in the above computations.

(2) See Note 16 to the 2002 Annual Report for a description of these instruments.

NOTE 10. 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 that began in 2000 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.

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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 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 September 26, 2003, Merrill Lynch's commitments had the following expirations:

<TABLE>

<CAPTION>

(dollars in millions)

	Total	Commitment expiration			
		Less than 1 year	1- 3 years	3+ - 5 years	Over 5 years
<S>	<C>	<C>	<C>	<C>	<C>
Commitments to extend credit(1)	\$32,760	\$14,623	\$7,127	\$6,757	\$4,253
Partnership interests	446	170	107	56	113
Other commitments	7,588	6,642	745	69	132
Operating leases	3,872	525	989	840	1,518
Resale agreements	11,688	10,557	627	127	377
Repurchase agreements	6,295	6,295	-	-	-
Total	\$62,649	\$38,812	\$9,595	\$7,849	\$6,393

(1) See Note 6 to the Condensed Consolidated Financial Statements and Note 14 in the 2002 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 \$474 million and \$434 million at September 26, 2003 and December 27, 2002, respectively.

Merrill Lynch has entered into agreements with providers of market data, communications, and systems consulting services. Minimum fee commitments over the remaining life of these agreements aggregated \$456 million and \$527 million at September 26, 2003 and December 27, 2002, respectively. Merrill Lynch has entered into purchasing and other commitments totaling \$7.0 billion and \$1.4 billion at September 26, 2003 and December 27, 2002, 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, which was then in effect. 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 September 26, 2003. As of September 26, 2003, the carrying value of the liability on the Condensed Consolidated Financial Statements is \$36 million. Merrill Lynch's residual value guarantee does not comprise more than half of the limited partnership's assets. Merrill Lynch had entered into a similar residual value guarantee with the previous SPEs; the maximum exposure under the previous guarantee was approximately \$325 million as of December 27, 2002.

The limited partnership does not meet the definition of a variable interest entity as defined in FIN 46. 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. As previously noted, Merrill Lynch does not monitor its exposure to derivative contracts in terms of maximum payout. Instead, 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 2002 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 September 26, 2003, the value of the municipal bond assets to which Merrill Lynch has recourse in the event of a draw was \$19.8 billion and the maximum payout if the standby facilities are drawn was \$14.6 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 September 26, 2003, 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 \$3.5 billion; the maximum payout if an issuer defaults was \$2.8 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 through 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 assets sales beyond 75 - 90% of the current book value of the asset to which the guarantee pertains. As of September 26, 2003, the value of the assets for which Merrill Lynch provides residual value guarantees and is not the lessee was \$553 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 acquisition cost of the assets.

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 \$241 million as collateral to secure these guarantees. In addition, standby letters of credit include \$68 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 and managed futures 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 either highly liquid risk-free assets or in-the-money put options purchased from AAA credit rated counterparties that when combined will result in the return of principal at the maturity date unless there is a significant market event. Merrill Lynch's maximum potential exposure to loss with respect to these guarantees is \$723 million assuming that the funds are invested exclusively in other investments (i.e., the funds hold no risk-free assets or all of the put option counterparties default), and that those other investments suffer a total loss. As such, this measure significantly overstates Merrill Lynch's exposure or expected loss at September 26, 2003. The carrying value for these guarantees at September 26, 2003 was \$19 million, which includes a reserve for probable and estimable losses of \$10 million and a \$9 million liability recorded pursuant to FIN 45 for a newly created fund.

These guarantees and their expiration are summarized at September 26, 2003 as follows:

<TABLE>
<CAPTION>
(dollars in millions)

	Maximum Payout/	Less than	1 - 3	3+ - 5	Over 5
	Notional	1 year	years	years	years
Carrying Value					

	<C>	<C>	<C>	<C>	<C>	<C>
Derivative contracts(1)	\$ 894,501	\$321,374	\$243,315	\$192,361	\$137,451	\$19,788
Liquidity facilities with SPEs(2)	14,640	12,762	1,878	-	-	8
Liquidity and default facilities with SPEs	2,867	2,060	503	1	303	
Residual value guarantees(3)(4)	1,767	64	58	357	1,288	36
Standby letters of credit and other performance guarantees(5)	1,205	471	121	341	272	20

- (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 \$3.1 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 \$843 million of reimbursement agreements with the Mortgage 100SM program.
- (5) Marketable securities are posted as collateral.

</TABLE>

See Note 14 in the 2002 Annual Report for additional information on guarantees.

NOTE 11. EMPLOYEE INCENTIVE PLANS

Stock-Based Compensation

Merrill Lynch accounts for stock-based compensation in accordance with the intrinsic value-based method in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, rather than the fair value-based method in SFAS No. 123, Accounting for Stock-Based Compensation. Refer to Note 1 in the 2002 Annual Report for accounting policy. Merrill Lynch changed the vesting period for stock options from six months, for 2002 grants, to four years, for 2003 grants. For the nine-month periods ended September 26, 2003 and September 27, 2002, \$581 million (\$360 million after-tax) and \$602 million (\$373 million after-tax), respectively, of pre-tax compensation expense related to employee stock compensation awards was recorded in earnings. Compensation expense for stock options is not recognized since Merrill Lynch grants stock options that have no intrinsic value. Had Merrill Lynch adopted the provisions of SFAS No. 123 and accounted for all employee stock awards at fair value, Merrill Lynch would have recognized additional pre-tax compensation expense related to employee stock awards of \$192 million (\$119 million after-tax) and \$1,170 million (\$726 million after-tax), respectively, for the nine-month periods ended September 26, 2003 and September 27, 2002, respectively. This decrease reflects the change in vesting period. Pro forma net earnings and earnings per share are as follows:

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

	Three Months Ended		Nine Months Ended	
	Sept. 26, 2003	Sept. 27, 2002	Sept. 26, 2003	Sept. 27,
2002				
Net Earnings, as reported \$1,974	\$1,039	\$693	\$2,745	
Less: stock-based compensation determined under Black-Scholes method, net of taxes (726)	(42)	(132)	(119)	
Pro forma net earnings \$1,248	\$ 997	\$ 561	\$2,626	

Earnings per share					
As reported:					
2.26	Basic	\$ 1.14	\$0.79	\$ 3.03	\$
2.07	Diluted	1.04	0.73	2.81	
Pro forma:					
1.42	Basic	1.09	0.64	2.90	
1.29	Diluted	1.00	0.58	2.69	

</TABLE>

NOTE 12. REGULATORY REQUIREMENTS

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 September 26, 2003, MLPF&S's regulatory net capital of \$3,859 million was approximately 27.4% of ADI, and its regulatory net capital in excess of the minimum required was \$3,577 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 September 26, 2003, MLI's financial resources were \$5,657 million, exceeding the minimum requirement by \$1,230 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 September 26, 2003, MLGSI's liquid capital of \$2,755 million was 258% of its total market and credit risk, and liquid capital in excess of the minimum required was \$1,473 million.

Banking Regulation

Two of the subsidiaries of ML & Co., Merrill Lynch Bank USA ("MLBUSA") and Merrill Lynch Bank & Trust Co. ("MLB&T"), are each subject to certain minimum aggregate capital requirements under applicable federal banking laws. Among other things, Part 325 of the FDIC Regulations establishes levels of Risk-Based Capital ("RBC") each institution must maintain and identifies the possible actions the federal supervisory agency may take if a bank does not maintain certain capital levels. RBC is defined as the ratios of (i) Tier I Capital or Total Capital to (ii) average assets or risk-weighted assets. The following table presents the actual capital ratios and amounts for MLBUSA and MLB&T at September 26, 2003 and December 27, 2002.

As shown below, MLBUSA and MLB&T each exceed the minimum bank regulatory requirement for classification as a well-capitalized bank for Tier I leverage -- 5%, Tier I capital -- 6% and Total capital -- 10%:

<TABLE>

<CAPTION>

(dollars in millions)

		Sept. 26, 2003		Dec. 27, 2002
		-----		-----
	Actual Ratio	Amount	Actual Ratio	
Amount	-----	-----	-----	---

<S>	<C>	<C>	<C>
<C>			
Tier I leverage (to average assets)			
MLBUSA	6.22%	\$4,488	5.35%
\$3,740			
MLB&T	5.50	882	5.42
848			
Tier I capital (to risk-weighted assets)			
MLBUSA	12.08	4,488	11.48
3,740			
MLB&T	20.05	882	20.53
848			
Total capital (to risk-weighted assets)			
MLBUSA	12.63	4,692	12.04
3,924			
MLB&T	20.10	884	20.54
848			

</TABLE>			

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INDEPENDENT ACCOUNTANTS' REPORT

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

We have reviewed the accompanying condensed consolidated balance sheet of Merrill Lynch & Co., Inc. and subsidiaries ("Merrill Lynch") as of September 26, 2003, and the related condensed consolidated statements of earnings for the three-month and nine-month periods ended September 26, 2003 and September 27, 2002, and the condensed consolidated statements of cash flows for the nine-month periods ended September 26, 2003 and September 27, 2002. 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 27, 2002, and the related consolidated statements of earnings, changes in stockholders' equity, comprehensive income and cash flows for the year then ended (not presented herein); and in our report dated February 24, 2003, we expressed an unqualified opinion on those consolidated financial statements and included an explanatory paragraph for the change in accounting method for goodwill amortization to conform to Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 27, 2002 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ Deloitte & Touche LLP
New York, New York
November 5, 2003

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

Merrill Lynch & Co., Inc. ("ML&Co." and, together with its subsidiaries, "Merrill Lynch") is a holding company that, through its subsidiaries, provides broker-dealer, investment banking, financing, advisory, wealth management, asset management, insurance, lending, and related products and services on a global basis. In addition, Merrill Lynch makes principal investments for market making on behalf of its clients and for its own account. The financial

services industry, in which Merrill Lynch is a leading participant, is highly 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 the regulatory and legislative initiatives which may affect the conduct of its business, including increased regulation, and by the outcome of legal and regulatory 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 these unpredictable 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 using the internet or other technology to provide financial services and diminishing margins in many mature products and services. Commercial and investment bank consolidations, which were made possible by the enactment of the Gramm-Leach-Bliley Act, have also increased the competition for investment banking business in part through the extension of credit in conjunction with investment banking and capital raising activities. In 2002, the U.S. Congress passed the Sarbanes-Oxley Act of 2002, which is a broad overhaul of existing corporate and securities laws. In addition, various Federal and state securities regulators, self-regulatory organizations (including the New York Stock Exchange) and industry participants reviewed and in many cases adopted sweeping changes to their established rules including rules in the areas of corporate governance, research analyst conflicts of interest and auditor independence. Changes pertaining to the role of research analysts in connection with investment banking and capital raising activities are affecting how financial services companies interact with their clients and may affect the cost structure for such activities. Outside the United States, there is continued focus by regulators and legislators on regulatory supervision of both banks and investment firms on a consolidated and individual basis, especially in the areas of capital and risk management.

Certain statements contained in this Report may be considered forward-looking, including statements about management expectations, strategic objectives, business prospects, anticipated expense savings and financial results, anticipated results of litigation and regulatory proceedings, and other similar matters. These forward-looking statements are not statements of historical fact and represent only Management's beliefs regarding future events, which are 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 two paragraphs, as well as actions and initiatives taken by both current and potential competitors, the effect of current, pending and future legislation and regulation, and the other risks and uncertainties detailed in Merrill Lynch's Form 10-K 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 the forward-looking statements are made. The reader should, however, consult any further disclosures Merrill Lynch may make in its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K.

BUSINESS ENVIRONMENT

Global financial markets continued to improve during the third quarter 2003. Global equity markets recorded improved results during the quarter. The improvement in the economy and the sharp rise in equity markets have encouraged investors to realign their investments from bonds to stocks.

In a volatile quarter, long-term U.S. interest rates, as measured by the yield on the 10-year U.S. Treasury bond, reached a 14-month peak in mid-August at 4.6% and ended the quarter at 3.93%, up from 3.51% at the end of the second quarter of 2003. The U.S. Federal Reserve Bank kept the federal funds rate unchanged during the quarter at 1.00%.

Despite continued worries about the falling dollar, rising oil prices and the still-uncertain prospects for the economy and corporate earnings, all major U.S. indexes were up slightly this quarter. Although the Dow Jones Industrial Average

increased by only 3.2% in the third quarter, it rose 22.2% from the end of the third quarter of 2002 and 11% during 2003. The NASDAQ Composite Index, dominated by large-cap technology stocks, fared better with gains of 10.1% during the quarter, and 52.5% from the 2002 third quarter. The Standard & Poor's 500 stock index rose 2.2% in the third quarter, and was up 22.2% from the year-ago quarter.

Global equity markets rose sharply for the second consecutive quarter. The Dow Jones World Index, excluding the United States, increased 8.9% in the third quarter of 2003 and 26.5% from the third quarter of 2002. In Europe, the dollar's renewed decline against the euro and weak growth prospects affected all major markets, as reflected by the modest 1.9% gain of the Dow Jones Stoxx 600 index of European blue chips. In Japan, with an annualized growth rate of 3.9% during the second quarter, the Nikkei 225 Stock Average Index reached a 15-month high during the month of September and ended the quarter with an overall gain of 12.5%. In Hong Kong, the Hang Seng Index increased 17.3% for the quarter. From Asia to Latin America, global emerging markets posted strong results during the quarter.

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Global debt and equity underwriting increased 29% in the third quarter of 2003 from the comparable period of 2002, according to Thomson Financial Securities Data. In a marked shift from last year, stock underwriting started to rebound. Proceeds from global equity and equity-related issues nearly doubled in the third quarter 2003 to \$101.7 billion compared to \$51.7 billion in the year-ago period. The increased stock issuances helped raise total underwriting fees by 22% compared to the 2002 third quarter. The IPO business improved substantially with 21 IPOs in the third quarter 2003 compared to 10 IPOs in the year-ago quarter, according to Thomson Financial Securities Data.

Despite a strong start in early July, mergers and acquisition activity lost momentum by the end of the third quarter, with a noticeable slowdown outside the United States. According to Thomson Financial Securities Data, the value of global announced deals in the third quarter of 2003 was \$278 billion, down 6% from \$296 billion in the comparable period of 2002. In the United States, although activity improved on a sequential quarter basis, the value of announced deals in the 2003 third quarter was down 16% from the year-ago level.

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

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RESULTS OF OPERATIONS

<TABLE>
<CAPTION>

Ended	For the Three Months Ended		For the Nine Months	
	Sept. 26, 2003	Sept. 27, 2002	Sept. 26, 2003	
(dollars in millions, except per share amounts)				
	<C>	<C>	<C>	
Net Revenues				
Asset management and portfolio service fees	\$ 1,184	\$ 1,217	\$ 3,465	\$
3,808				
Commissions	1,120	1,125	3,233	
3,579				
Principal transactions	705	377	2,815	
1,982				
Investment banking				
Underwriting	545	329	1,478	
1,296				
Strategic advisory	133	163	391	
540				
Other	300	165	776	
603				

Subtotal	3,987	3,376	12,158	
11,808				
Interest and dividend revenues	2,873	3,484	8,922	
9,966				
Less interest expense	1,794	2,498	5,841	
7,371				

Net interest profit	1,079	986	3,081	
2,595				

Total Net Revenues	5,066	4,362	15,239	
14,403				

Non-interest expenses:				
Compensation and benefits	2,393	2,228	7,567	
7,443				
Communications and technology	352	421	1,112	
1,307				
Occupancy and related depreciation	226	218	663	
684				
Brokerage, clearing, and exchange fees	188	182	527	
552				
Advertising and market development	89	125	323	
426				
Professional fees	146	135	430	
397				
Office supplies and postage	46	62	154	
196				
Other	138	130	548	
466				
Net recoveries related to September 11	(21)	(191)	(82)	
(191)				
Restructuring-related credit	-	(2)	-	
(2)				
Research-related expenses	-	-	-	
111				

Total non-interest expenses	3,557	3,308	11,242	
11,389				

Earnings before income taxes and dividends on preferred securities issued by subsidiaries	\$ 1,509	\$ 1,054	\$ 3,997	\$
3,014				
=====				
Net earnings	\$ 1,039	\$ 693	\$ 2,745	\$
1,974				
=====				
Earnings per common share:				
Basic	\$ 1.14	\$ 0.79	\$ 3.03	\$
2.26				
Diluted	1.04	0.73	2.81	
2.07				
Annualized return on average common stockholders' equity	16.5 %	12.7 %	15.2 %	
12.5 %				
Pre-tax profit margin	29.8	24.2	26.2	
20.9				

</TABLE>

Quarterly Results of Operations

Merrill Lynch's net earnings were \$1.039 billion for the 2003 third quarter, 50% higher than the \$693 million reported in the third quarter of 2002. Earnings per common share were \$1.14 basic and \$1.04 diluted, compared with \$0.79 basic and \$0.73 diluted in the 2002 third quarter. The third quarter pre-tax margin rose to 29.8%, up from 24.2% in the prior-year quarter. Third quarter 2003 net earnings include \$13 million, \$0.01 per diluted share, (\$21 million pre-tax) attributable to a September 11-related net insurance recovery. Third quarter 2002 net earnings included \$115 million, \$0.12 per diluted share (\$193 million

pre-tax) related primarily to September 11-related net recoveries.

Net revenues were \$5.1 billion in the third quarter of 2003, 16% higher than the 2002 third quarter. Asset management and portfolio service fees were \$1.2 billion, down 3% from the third quarter of 2002 largely as a result of a reduction in portfolio servicing fees, a large portion of which are calculated on beginning-of-period asset values. Commission revenues were \$1.1 billion, essentially unchanged from the 2002 third quarter. Principal transactions revenues increased 87% from the third quarter of 2002 to \$705 million, due principally to increased debt and equity markets trading revenues. Underwriting revenues were \$545 million, 66% higher than the 2002 third quarter, reflecting higher levels of equity underwriting revenues, which are reflected in GMI underwriting revenues and GPC principal transactions and new issue revenues. Strategic advisory revenues declined 18% to \$133 million from the 2002 third quarter due to reduced market activity levels and lower market share. Other revenues were \$300 million, 82% higher than the 2002 third quarter due to increased revenues from investments and sales of mortgages. Net interest profit was \$1.1 billion, up 9% from the 2002 third quarter due primarily to a more favorable yield curve environment.

Compensation and benefits expenses were 47.2% of net revenues for the third quarter of 2003, compared to 51.1% in the year-ago quarter. Compensation and benefits expenses of \$2.4 billion in the third quarter of 2003 increased 7% from the 2002 third quarter due primarily to higher incentive compensation accruals reflecting increased net revenues.

Non-compensation expenses were \$1.2 billion in the third quarter of 2003, an increase of 8% from the 2002 third quarter (a decline of 7% excluding September 11-related net recoveries and the restructuring-related credit in the third quarter of 2002). Communications and technology costs were \$352 million, down 16% from the third quarter of 2002 due primarily to reduced communications costs and lower technology equipment depreciation and rental costs. Occupancy and related depreciation expense was up 4% in the 2003 third quarter compared to the year ago period. As a result of eliminating certain excess capacity, these expenses are expected to increase in the fourth quarter of 2003. Advertising and market development expenses were \$89 million, down 29% from the third quarter of 2002 due primarily to lower advertising and sales promotion expenses. Office supplies and postage expenses were \$46 million in the 2003 third quarter, a 26% decrease from the year-ago quarter, due to efficiency initiatives.

The September 11-related net recovery in the third quarter of 2003 includes a partial pre-tax insurance reimbursement of \$25 million, offset by September 11-related costs of \$4 million. The insurance reimbursement represents a partial business interruption settlement for GMI and is recorded as a reduction of expenses in that segment. The costs were recorded in the Corporate segment. Third quarter 2002 net earnings includes \$191 million of September 11-related net recoveries. The net recoveries include partial business interruption settlements for GMI and GPC of \$50 million and \$25 million, respectively, which were recorded as a reduction of non-interest expenses. The Corporate segment includes \$116 million of net insurance recoveries for a portion of the replacement and recovery costs.

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Year-to-date Results of Operations

For the first nine months of 2003, net earnings were \$2.7 billion, up 39% from \$2.0 billion for the corresponding period in 2002, as net revenues increased 6%, to \$15.2 billion. Compensation and benefits expenses for the first nine months of 2003 increased 2% from the year-ago period, to \$7.6 billion as higher earnings-related compensation was partially offset by lower staffing levels. Non-compensation expenses totaled \$3.7 billion for the first nine months of 2003, a decline of 7% from the year-ago period. This decrease reflects the results of the 2001 restructuring program and continued operating discipline in managing costs. Year-to-date earnings per common share were \$3.03 basic and \$2.81 diluted, compared with \$2.26 basic and \$2.07 diluted in the first nine months of 2002. The pre-tax profit margin for the first nine months of 2003 was 26.2%, up from 20.9% in the year-ago period. Annualized return on average common stockholder's equity was 15.2% for the first nine months of 2003 compared to 12.5% for the comparable period in 2002.

Year-to-date 2003 net earnings include \$49 million, \$0.05 per diluted share, (\$82 million pre-tax) attributable to September 11-related net insurance recoveries. Year-to-date 2002 net earnings included \$114 million, (\$191 million pre-tax) of September 11-related net recoveries, \$78 million (\$111 million pre-tax) of research-related expenses and a \$1 million (\$2 million pre-tax) restructuring-related credit. The net result of these items increased diluted earnings per share by \$.04 for the first nine months of 2002. The 2002 year-to-date pre-tax profit margin was 20.4% excluding these items.

Merrill Lynch's year-to-date effective tax rate was 27.7%. The full year 2002 effective tax rate was 28.0%.

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. Business segment results are restated to reflect reallocations of revenues and expenses, which result from changes in Merrill Lynch's business strategy and structure.

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 GLOBAL MARKETS AND INVESTMENT BANKING

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

(dollars in millions)	For the Three Months Ended			For the Nine Months Ended		
	Sept. 26, 2003	Sept. 27, 2002	% Inc. (Dec.)	Sept. 26, 2003	Sept. 27, 2002	% Inc. (Dec.)
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commissions	\$ 469	\$ 515	(9)	\$ 1,456	\$ 1,587	(8)
Principal transactions and net interest profit	1,286	856	50	4,369	2,908	50
Investment banking	555	428	30	1,517	1,643	(8)
Other revenues	176	123	43	492	480	3
Total net revenues	2,486	1,922	29	7,834	6,618	18
Non-interest expenses	1,464	1,378	6	4,906	4,786	3
Pre-tax earnings	\$ 1,022	\$ 544	88	\$ 2,928	\$ 1,832	60
Pre-tax profit margin	41.1 %	28.3 %		37.4 %	27.7 %	

</TABLE>

GMI achieved a strong year-over-year growth in net revenues and pre-tax earnings and set a record pre-tax profit margin for the second consecutive quarter. In debt markets, GMI experienced strong growth in credit products, principal investments and foreign exchange, as well as solid results in interest rate trading. Net revenues in GMI's equity business improved across all components of equity trading, origination and financing activities. Geographically, the Pacific Rim debt business and the European and Pacific Rim equity businesses contributed strongly to the year-over-year revenue increase.

GMI net revenues were \$2.5 billion in the 2003 third quarter, an increase of 29% from the year-ago quarter. Pre-tax earnings increased 88% from the third quarter of 2002, to \$1.0 billion. GMI's 2003 and 2002 third quarter results included September 11-related partial pre-tax insurance reimbursements, which were recorded as reductions of non-interest expenses, of \$25 million and \$50 million, respectively. GMI's pre-tax profit margin was 41.1%, up from 28.3% in the third quarter of 2002. Excluding the insurance recoveries, GMI's pre-tax profit margins were 40.1% and 25.7% in the 2003 and 2002 third quarter, respectively. Total non-interest expenses were \$1.5 billion during the 2003 third quarter, up from \$1.4 billion in the year-ago period, due primarily to higher incentive compensation accruals associated with increased net revenues.

For the first nine months of 2003, GMI pre-tax earnings were \$2.9 billion, up 60% from the prior year period, on net revenues that rose 18%, to \$7.8 billion. The year-to-date pre-tax profit margin increased to 37.4%, compared with 27.7% in the same period last year. Excluding the \$100 million of insurance recoveries, GMI's year-to-date 2003 pre-tax earnings were \$2.8 billion and the

Debt underwriting	\$ 190	\$ 168	13	\$ 595	\$ 462	29
Equity underwriting	232	97	139	531	641	(17)
	-----	-----		-----	-----	
Total underwriting	422	265	59	1,126	1,103	2
Strategic advisory services	133	163	(18)	391	540	(28)
	-----	-----		-----	-----	
Total	\$ 555	\$ 428	30	\$ 1,517	\$1,643	(8)

</TABLE>

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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 2003 third quarter were \$422 million, up 59% from the \$265 million recorded in the third quarter of 2002, due principally to increased equity underwriting revenues resulting from a higher volume of transactions. Merrill Lynch ranked fourth in global debt and sixth in global equity and equity-linked underwriting in the third quarter of 2003 with a 8.0% and 7.5% market share, respectively. Merrill Lynch's debt underwriting focus has shifted toward higher margin businesses and away from the achievement of aggregate market share goals; however, debt transactions are highly competitive and not all transactions are profitable.

Year-to-date underwriting revenues were \$1.1 billion, up 2% from the first nine months of 2002, as a 29% increase in debt underwriting revenues was substantially offset by a 17% decrease in equity underwriting revenues. Merrill Lynch's underwriting market share information based on transaction value follows:

<TABLE>
<CAPTION>

	For the Three Months Ended			
	Sept. 26, 2003		Sept. 27, 2002	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
Global proceeds				
Debt and Equity	7.9%	3	7.5%	3
Debt	8.0	4	7.6	3
Equity and equity-linked	7.5	6	5.9	5
U.S. proceeds				
Debt and Equity	9.5%	4	9.0%	3
Debt	9.7	4	9.1	3
Equity and equity-linked	6.6	5	7.8	6

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

	For the Nine Months Ended			
	Sept. 26, 2003		Sept. 27, 2002	
	Market Share	Rank	Market Share	Rank
Global proceeds				
Debt and Equity	7.2%	3	8.4%	2
Debt	7.1	3	8.2	2
Equity and equity-linked	7.7	5	10.7	3
U.S. proceeds				
Debt and Equity	9.0%	4	10.5%	2
Debt	8.9	3	10.2	2
Equity and equity-linked	10.3	5	16.3	3

Source: Thomson Financial Securities Data statistics based on full credit to book manager
</TABLE>

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Strategic Advisory Services

Strategic advisory services revenues, which include merger and acquisition and

other advisory fees, were \$133 million in the third quarter of 2003, down 18% from the third quarter of 2002 as industry-wide completed mergers and acquisitions activity continued to contract and market share globally declined. Year-to-date strategic advisory services revenues similarly decreased from the year-ago period by 28%, to \$391 million. Merrill Lynch's merger and acquisition market share information based on transaction value is as follows:

<TABLE>

<CAPTION>

	For the Three Months Ended			
	Sept. 26, 2003		Sept. 27, 2002	
	Market Share	Rank	Market Share	Rank
<S>	<C>	<C>	<C>	<C>
Completed transactions				
Global	21.3 %	4	23.7 %	3
U.S.	9.2	8	40.9	2
Announced transactions				
Global	13.1 %	7	13.7 %	4
U.S.	12.5	6	15.8	5

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

	For the Nine Months Ended			
	Sept. 26, 2003		Sept. 27, 2002	
	Market Share	Rank	Market Share	Rank
Completed transactions				
Global	15.7 %	6	21.8 %	3
U.S.	14.1	6	26.0	4
Announced transactions				
Global	15.0 %	4	14.6 %	4
U.S.	15.5	6	12.7	8

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, equity income from unconsolidated subsidiaries and distributions on equity investments, were \$176 million in the third quarter of 2003 compared to \$123 million in the year-ago quarter.

During the third quarter of 2003, GMI's Other revenues includes a write-down of \$114 million related to certain available-for-sale securities that were considered to be impaired on an other than temporary basis. In addition, 2003 third quarter Other revenues includes approximately \$110 million in net revenues related to equity method investments.

Year-to-date other revenues were \$492 million, up from \$480 million in the year-ago period. Included in the year-to-date 2002 other revenues was a \$45 million pre-tax gain on the sale of the Securities Pricing Services business.

For additional information on GMI's segment results, refer to Note 3 to the Condensed Consolidated Financial Statements.

GLOBAL PRIVATE CLIENT

GPC's Results of Operations

<TABLE>

<CAPTION>

	For the Three Months Ended			For the Nine Months Ended		
	Sept. 26,	Sept. 27,	% Inc.	Sept. 26,	Sept. 27,	%
Inc.						
(dollars in millions)	2003	2002	(Dec.)	2003	2002	

(Dec.)

<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Asset management and portfolio service fees (8)	\$ 855	\$ 879	(3)	\$ 2,500	\$ 2,728
Commissions (10)	624	581	7	1,703	1,900
Principal transactions and new issue revenues 13	340	242	40	991	874
Net interest profit (1)	350	323	8	1,004	1,015
Other revenues 152	139	60	132	338	134
Total net revenues (2)	2,308	2,085	11	6,536	6,651
Non-interest expenses (4)	1,842	1,768	4	5,465	5,719
Pre-tax earnings 15	\$ 466	\$ 317	47	\$ 1,071	\$ 932
Pre-tax profit margin	20.2 %	15.2 %		16.4 %	14.0 %

</TABLE>

GPC's third quarter 2003 pre-tax earnings were \$466 million, up 47% from the 2002 third quarter. Excluding a \$25 million September 11-related insurance recovery, and a \$2 million restructuring-related net credit, which were recorded in the 2002 third quarter, GPC pre-tax earnings increased 61% from the year-ago quarter. Net revenues increased 11% from the 2002 third quarter to \$2.3 billion. The net revenues and pre-tax earnings growth from the prior-year quarter reflected increased client transaction activity, higher demand for fee-based services and credit products and continued operating discipline. GPC's pre-tax margin was 20.2%, up five percentage points from the year-ago quarter.

GPC's year-to-date net revenues were \$6.5 billion, down 2% from the corresponding period of 2002. Pre-tax earnings were \$1.1 billion, up 15% from the first nine months of 2002. GPC's year-to-date pre-tax margin was 16.4%, up from 14.0% in the year-ago period (13.6 % excluding the insurance recovery and restructuring-related credit in 2002).

GPC employed approximately 13,400 Financial Advisors at the end of the 2003 third quarter, down from 14,600 at the end of the 2002 third quarter but up from 13,300 at the end of the 2003 second 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 \$855 million, down 3% from the \$879 million recorded in the third quarter of 2002. On a year-to-date basis, asset management and portfolio service fees totaled \$2.5 billion, down 8% from the year-ago period. These declines result primarily from lower portfolio servicing fees, a large portion of which are calculated on beginning-of-period asset values.

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Commissions

Commission 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.

Commission revenues increased 7% to \$624 million in the third quarter of 2003 from \$581 million in the third quarter of 2002, due primarily to increased transaction volumes related to mutual funds and equities. Commission revenues for the first nine months of 2003 were \$1.7 billion, 10% lower than the corresponding period of 2002 due primarily to lower transaction volumes.

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. GPC does not take any significant principal trading risk positions.

Principal transactions and new issue revenues were \$340 million, 40% higher than the 2002 third quarter due to an increase in equity new issue revenues. Year-to-date revenues were \$991 million, up 13% from the year year-ago period.

An analysis of changes in assets in GPC accounts from September 27, 2002 to September 26, 2003 is detailed below:

<TABLE>
<CAPTION>

(dollars in billions)	Net Changes Due To				Sept. 26, 2003
	Sept. 27, 2002	New Money	Asset Appreciation	Other(1)	
<S>	<C>	<C>	<C>	<C>	<C>
Assets in GPC accounts					
U.S.	\$ 997	\$9	\$87	\$ -	\$1,093
Non U.S.	87	-	7	(2)	92
Total	\$1,084	\$9	\$94	\$(2)	\$1,185

(1) Represents accounts related to the sale of Japan's call center business.
</TABLE>

Total assets in GPC accounts in the United States were \$1.1 trillion at September 26, 2003 up from \$1.0 trillion at the end of the 2002 third quarter as a result of market-driven increases in asset values and net new money of \$9 billion. Outside the United States, client assets were \$92 billion, up from \$87 billion at the end of the year-ago quarter. Total assets in asset-priced accounts were \$206 billion at the end of the 2003 third quarter, up 16% from \$177 billion at the end of the 2002 third 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 \$350 million in the 2003 third quarter, up 8% from \$323 million in the third quarter of 2002. Net interest profit for the first nine months of 2003 was \$1.0 billion, essentially unchanged from the comparable period of 2002.

Other revenues

Other revenues were \$139 million in the third quarter of 2003, compared to \$60 million in the year-ago period. Other revenues for the first nine months of 2003 increased to \$338 million from \$134 million in the same period in 2002. These increases are due primarily to increased realized gains related to sales of mortgages.

For additional information on GPC's segment results, refer to Note 3 to the Condensed Consolidated Financial Statements.

MERRILL LYNCH INVESTMENT MANAGERS

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

(dollars in millions) (Dec.)	For the Three Months Ended			For the Nine Months Ended		
	Sept. 26, 2003	Sept. 27, 2002	% (Dec.)	Sept. 26, 2003	Sept. 27, 2002	%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Asset management fees (12)	\$ 323	\$ 332	(3)	\$ 932	\$ 1,054	
Commissions (31)	33	40	(18)	100	145	
Other revenues (200)	(4)	(12)	(67)	(13)	13	
Total net revenues (16)	352	360	(2)	1,019	1,212	
Non-interest expenses	275	293	(6)	830	943	

(12)					
Pre-tax earnings (30)	\$ 77	\$ 67	15	\$ 189	\$ 269
Pre-tax profit margin	21.9 %	18.6 %		18.5 %	22.2 %

MLIM continued to demonstrate superior relative investment performance for the 1-, 3- and 5-year periods ended September 2003. 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 2003 third quarter were \$77 million, up 15% from \$67 million in the 2002 third quarter on net revenues that were essentially unchanged from the year ago period at \$352 million. Non-interest expenses declined 6% from the year ago period, to \$275 million primarily reflecting reduced litigation expenses. Continued resolution of litigation issues will likely impact MLIM's future results. Net revenues are dependent on levels of assets under management, and, accordingly, are correlated to equity market valuations. The pre-tax margin was 21.9% in the third quarter of 2003 compared to 18.6% in the year-ago quarter.

Year-to-date, MLIM's pre-tax earnings were \$189 million, 30% lower than for the first nine months of 2002 on net revenues that were 16% lower at \$1.0 billion. MLIM's year-to-date pre-tax margin was 18.5%, compared with 22.2% for the same period last year.

Asset management fees

Asset management fees primarily consist of fees earned from the management and administration of funds as well as performance fees earned by MLIM on separately managed accounts. Asset management fees were \$323 million, down slightly from \$332 million in the third quarter of 2002. On a year-to-date basis, asset management fees decreased 12% to \$932 million. At the end of the third quarter of 2003, assets under management totaled \$473 billion, an increase of 5% from \$452 billion at the end of the third quarter of 2002 due primarily to higher market values, partially offset by net new money outflows of \$6 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"). As a result of lower transaction volumes and the impact of lower market values, commissions decreased 18% to \$33 million in the 2003 third quarter from the year-ago quarter. Year-to-date commissions decreased 31%, to \$100 million.

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An analysis of changes in assets under management from September 27, 2002 to September 26, 2003 is as follows:

(dollars in billions)	Net Changes Due To				Sept. 26, 2003
	Sept. 27, 2002	New Money	Asset Appreciation	Other (1)	
<S>	<C>	<C>	<C>	<C>	<C>
Assets under management	\$452	\$(6)	\$28	\$(1)	\$473

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

Other Revenues

Other revenues, which primarily include net interest profit and investment gains and losses, totaled \$(4) million and \$(12) million for the third quarter of 2003 and 2002, respectively. Other revenues in the first nine months of 2003 totaled \$(13) million and included the write-down of certain assets. Other revenues for the first nine months of 2002 were \$13 million and included a \$17 million pre-tax gain on the sale of the Canadian retail asset management business.

For additional information on MLIM's segment results, refer to Note 3 to the Condensed Consolidated Financial Statements.

Management continually monitors and evaluates the level and composition of the balance sheet.

For the first nine months of 2003, average total assets were \$513 billion, up 9% from \$469 billion for the full-year 2002. Average total liabilities increased 9% to \$486 billion from \$445 billion for the full-year 2002. Average total assets and liabilities for the first nine months of 2003 include the following changes as compared to the full-year 2002:

<TABLE>

<CAPTION>

(dollars in millions)	Increase/ (Decrease)	Change
<S>	<C>	<C>
AVERAGE ASSETS		
Trading assets	\$19,704	17%
Receivables under resale agreements	10,220	14
Loans, notes and mortgages (net)	10,219	36
AVERAGE LIABILITIES		
Payables under repurchase agreements	\$16,432	15%
Trading liabilities	14,685	18

</TABLE>

Loans, notes and mortgages were up substantially from 2002 due to increased mortgage and small and middle market business loan originations by Merrill Lynch Bank USA and its subsidiaries. Additionally, securities financing transactions rose primarily due to increased inventory financing.

Average total assets during the third quarter of 2003 were \$531 billion, \$45 billion higher than at the end of the third quarter principally due to higher levels of securities financing transactions, and increases in other receivables primarily from failed securities transactions that were prevalent in the U.S. Government securities and mortgage markets.

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OFF BALANCE SHEET ARRANGEMENTS, CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITIES AND COMMITMENTS

As a part of its normal operating strategy, Merrill Lynch enters into various contractual obligations, contingent liabilities and commitments, which may require future payments. The table below outlines the significant contractual obligations, contingent liabilities, and commitments, as well as the future expiration as of September 26, 2003:

<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>
Total commitments (Note 10)	\$62,649	\$38,812	\$ 9,595	\$ 7,849	\$ 6,393
Long-term borrowings	80,706	18,701	24,510	16,956	20,539
Short-term borrowings	3,015	3,015	-	-	-
Contractual agreements(1)	45,198	10,204	9,059	7,385	18,550
Liquidity and facilities with SPEs(2)	14,640	12,762	1,878	-	-
Liquidity and default facilities with SPEs	2,867	2,060	503	1	303
Residual value guarantees(3) (4)	1,767	64	58	357	1,288
Standby letters of credit and other performance guarantees	1,205	471	121	341	272

(1) Represents the liability balance of contractual agreements at September 26, 2003.

(2) Amounts relate primarily to facilities provided to municipal bond securitization SPEs.

(3) Includes residual value guarantees associated with the Hopewell campus and aircraft leases of \$325 million.

(4) Includes \$843 million of reimbursement agreements with the Mortgage 100SM program.

</TABLE>

Refer to Note 10 to the Condensed Consolidated Financial Statements for additional information.

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:

- o sufficient equity capital to absorb losses and,
- o 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 27, 2002.

Capital Adequacy

At September 26, 2003, Merrill Lynch's equity capital was comprised of \$25.7 billion in common equity, \$425 million in preferred stock, and \$2.7 billion of preferred securities issued by subsidiaries. Preferred securities issued by subsidiaries are Trust Originated Preferred SecuritiesSM ("TOPrS"SM). Based on the risks and equity needs of its businesses, Merrill Lynch believes that its equity capital base of \$28.7 billion is adequate.

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Funding

Commercial paper outstanding totaled \$2.2 billion at September 26, 2003 and \$4.0 billion at December 27, 2002, which was approximately 3% and 5% of total unsecured borrowings at September 26, 2003 and year-end 2002, respectively. Deposits at Merrill Lynch's banking subsidiaries totaled \$79.3 billion at September 26, 2003, down from \$81.8 billion at year-end 2002. Of the \$79.3 billion of deposits in Merrill Lynch banking subsidiaries as of September 26, 2003, \$65.6 billion were in U.S. banks. Outstanding long-term borrowings increased to \$80.7 billion at September 26, 2003 from \$78.5 billion at December 27, 2002. Major components of the change in long-term borrowings during the first nine months of 2003 are as follows:

<TABLE>

<CAPTION>

(dollars in billions)

<S>	<C>
Balance at December 27, 2002	\$78.5
Issuances	22.0
Maturities	(20.9)
Other, net	1.1

Balance at September 26, 2003 (1)	\$80.7

(1) At September 26, 2003, \$62.0 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, asset-backed securities 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 \$14.3 billion and \$12.6 billion at September 26, 2003 and December 27, 2002, 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 as a source of funds during a liquidity event.

Merrill Lynch also maintained a committed, multi-currency, unsecured bank credit facility that totaled \$3.0 billion at September 26, 2003 and \$3.5 billion at December 27, 2002 and was not drawn upon. On May 8, 2003, Merrill Lynch renewed the bank credit facility in the amount of \$3.0 billion for 364 days. Merrill Lynch elected to reduce the amount of the facility considering the company's funding profile and the availability of the liquidity portfolio of segregated securities that may be sold or pledged to provide immediate liquidity.

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, preferred stock, and TOPrSSM were rated by several recognized credit rating agencies at November 4, 2003 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.

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<TABLE>
<CAPTION>

Rating Agency	Senior Debt Ratings	Preferred Stock Ratings	TOPrSSM Ratings
<S>	<C>	<C>	<C>
Dominion Bond Rating Service Ltd	AA(Low)	Not Rated	Not Rated
Fitch Ratings	AA-	A+	A+
Moody's Investors Service, Inc.	Aa3	A2	A1
Rating and Investment Information, Inc. (1)	AA	A+	A+
Standard & Poor's Ratings Services	A+	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 Annual Report on Form 10-K for the year ended December 27, 2002.

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 September 26, 2003 and December 27, 2002 as well as daily average VaR for the three months ended September 26, 2003 and June 27, 2003. Additionally, high and low VaR for the third quarter of 2003 is presented independently for each risk category and overall.

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<TABLE>
<CAPTION>

(dollars in millions)	Sept. 26, 2003	Dec. 27, 2002	High 3Q03	Low 3Q03	Daily Average 3Q03	Daily Average 2Q03
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Trading value-at-risk(1)						
Interest rate and credit spread	\$ 50	\$ 42	\$ 81	\$ 45	\$ 59	\$ 52
Equity	34	36	38	18	29	29
Commodity	2	-	4	-	2	-
Currency	3	3	9	-	2	2
Volatility	22	19	39	21	30	24
	111	100			122	107
Diversification benefit	(58)	(48)			(63)	(48)
Overall(2)	\$ 53	\$ 52	\$ 78	\$ 44	\$ 59	\$ 59

(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 \$27 million at September 26, 2003 and \$25 million at year-end 2002.

The following table presents Merrill Lynch's VaR for its non-trading portfolios (including Merrill Lynch's U.S. banks and Merrill Lynch's LYONS(R)):

(dollars in millions)	Sept. 26, 2003	Dec. 27, 2002
<S>	<C>	<C>
Non-trading value-at-risk(1)		
Interest rate and credit spread	\$ 93	\$ 89
Equity	28	27
Currency	6	3
Volatility	17	13
	144	132
Diversification benefit	(38)	(42)
Overall	\$ 106	\$ 90

(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 \$9.8 billion of collateral) of trading derivatives in a gain position by maturity at September 26, 2003. (Please note that the following table is inclusive of credit exposure from derivative transactions only and does not include other material credit exposures).

<TABLE>
<CAPTION>
(dollars in millions)

Credit Rating(1)	Years to Maturity				Cross-Maturity Netting(2)	Total
	0-3	3+- 5	5+- 7	Over 7		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
AAA	\$ 1,330	\$ 992	\$ 618	\$ 1,980	\$ (474)	\$ 4,446
AA	3,640	2,412	1,311	2,342	(2,398)	7,307
A	6,928	1,718	1,019	4,248	(1,356)	12,557
BBB	1,547	906	531	1,019	(837)	3,166
Other	1,401	325	142	243	(43)	2,068
Total	\$14,846	\$ 6,353	\$ 3,621	\$ 9,832	\$ (5,108)	\$29,544

(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.

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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.

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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)

	Sept. 26, 2003	Dec. 27, 2002
<S>	<C>	<C>
Trading assets:		
Cash instruments	\$6,678	\$4,825
Derivatives	4,024	5,016
Trading liabilities - cash instruments	(2,060)	(1,352)
Collateral on derivative assets	(1,956)	(2,581)
Net trading asset exposure	\$6,686	\$5,908

</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 September 26, 2003, the carrying value of such debt and equity securities totaled \$151 million, of which 34% resulted from Merrill Lynch's market-making activities in such securities. This compared with \$140 million at December 27, 2002, of which 29% related to market-making activities. Also included are distressed bank loans totaling \$67 million and \$203 million at September 26, 2003 and December 27, 2002, 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)

	Sept. 26, 2003	Dec. 27, 2002
<S>	<C>	<C>
Investment securities	\$ 217	\$ 300
Commercial loans (net of allowance for loan losses):		
Bridge loans	-	131
Other loans(1)	5,369	3,660
Other investments:		
Partnership interests(2)	1,608	1,749
Other equity investments(3)	480	583

(1) Includes accrued interest.

(2) Includes \$807 million and \$877 million in investments at September 26, 2003 and December 27, 2002, respectively, related to deferred compensation plans, for which a portion of the default risk of the investments rests with the participating employees.

(3) Includes investments in 119 and 129 enterprises at September 26, 2003 and December 27, 2002, 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)

	Sept. 26, 2003	Dec. 27, 2002
<S>	<C>	<C>
Additional commitments to invest in partnerships (1)	\$ 446	\$ 500
Unutilized revolving lines of credit and other lending commitments	3,939	2,026

(1) Includes \$110 million at September 26, 2003 and December 27, 2002, related to deferred compensation plans.

</TABLE>

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 to the Consolidated Financial Statements in the 2002 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, recovery of insurance deferred acquisition costs, and other matters that affect the reported amounts and disclosure of contingencies in the financial statements. Merrill Lynch is party to various legal actions, including arbitrations, class actions, and other litigation for which the ultimate outcome is uncertain and cannot be reasonably estimated. Accordingly, no provisions for these matters have been made in the Consolidated 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 2002 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 are 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.

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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 2003 third quarter Merrill Lynch recorded approximately \$110 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 and derivatives such as listed options)
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 September 26, 2003, assets and liabilities on the Condensed Consolidated Balance Sheets can be categorized as follows:

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<TABLE>
 <CAPTION>
 (dollars in millions)

	Category 1	Category 2	Category 3	Total
<S>	<C>	<C>	<C>	<C>
Assets				
Trading assets, excluding contractual agreements	\$49,145	\$41,743	\$1,322	\$92,210
Contractual agreements	4,738	31,055	3,550	39,343
Loans, notes, and mortgages (net)	-	38,893	1,477	40,370
Investment securities	11,605	63,976	3,977	79,558
Liabilities				
Trading liabilities, excluding contractual agreements	\$35,602	\$9,613	\$1,139	\$46,354
Contractual agreements	5,402	36,189	3,607	45,198

</TABLE>

In addition, other trading-related assets recorded in the Condensed Consolidated Balance Sheet at September 26, 2003 include \$124.7 billion 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 July 7, 2003, the American Institute of Certified Public Accountants ("AICPA") issued Statement of Position ("SOP") 03-1, Accounting and Reporting by Insurance Enterprises for Certain Nontraditional Long-Duration Contracts and for Separate Accounts. The SOP provides guidance on accounting and reporting by insurance companies for certain nontraditional long-duration contracts and for separate accounts. The SOP is effective for financial statements for Merrill Lynch beginning in 2004. The SOP requires 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 currently employs. Had Merrill Lynch adopted SOP 03-1 at September 26, 2003, the estimated impact to the Condensed Consolidated Statement of Earnings would be between \$90 and \$100 million of additional expense; however, the ultimate impact of adoption in 2004 will depend on market conditions at that time.

On May 15, 2003, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. SFAS No. 150 changes the accounting for certain financial instruments, including mandatorily redeemable preferred stock and certain freestanding equity derivatives, which under previous guidance were accounted for as equity. SFAS No. 150 requires that mandatorily redeemable preferred shares, written put options and physically settled forward purchase contracts on an issuer's shares,

and certain financial instruments that must be settled by issuing a variable number of an issuer's shares, be classified as liabilities in the Condensed Consolidated Balance Sheets. SFAS No. 150 must be applied immediately to instruments entered into or modified after May 31, 2003 and to all other preexisting instruments beginning in the third quarter of this year. The adoption of SFAS No. 150 did not have a material impact on the Condensed Consolidated Financial Statements.

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On April 30, 2003, the FASB issued SFAS No. 149, Amendment of Statement 133 on Derivative Instruments and Hedging Activities. SFAS No. 149 amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. The new guidance amends SFAS No. 133 for decisions made as part of the Derivatives Implementation Group ("DIG") process that effectively required amendments to SFAS No. 133, and decisions made in connection with other FASB projects dealing with financial instruments and in connection with implementation issues raised in relation to the application of the definition of a derivative and characteristics of a derivative that contains financing components. In addition, it clarifies when a derivative contains a financing component that warrants special reporting in the statement of cash flows. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003 and for hedging relationships designated after June 30, 2003. During the third quarter of 2003, in accordance with SFAS No. 149, Merrill Lynch modified its classification within the Condensed Consolidated Statement of Cash Flows. Certain derivative instruments entered into or modified after June 30, 2003, and that have been determined to contain a financing element at inception and where Merrill Lynch is deemed the borrower, are now included as a separate component within Cash flows from financing activities. Prior to July 1, 2003, the activity associated with such derivative instruments is included within Cash flows from operating activities. The adoption of SFAS No. 149 did not have a material impact on the Condensed Consolidated Financial Statements.

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 Variable Interest Entity ("VIE"), more commonly referred to as an SPE, or special purpose entity. 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 46 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 46 does not apply to qualifying special purpose entities ("QSPEs"), the accounting for which is governed by SFAS No. 140. Merrill Lynch adopted FIN 46 on February 1, 2003 for VIEs with which it became involved after January 31, 2003. On October 8, 2003, the FASB deferred the effective date for preexisting VIEs to the period ending after December 15, 2003. As a result, Merrill Lynch will adopt FIN 46 for pre-existing contracts in the fourth quarter of this year and does not expect the adoption to have a material impact on the Consolidated Financial Statements. See Note 5 to the Condensed Consolidated Financial Statements for additional FIN 46 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. SFAS No. 148 permits three alternative methods for a voluntary transition to the fair value based method of accounting for employee stock-based compensation. SFAS No. 148 continues to permit prospective application for companies that adopt this standard prior to the beginning of fiscal year 2004. SFAS No. 148 also allows for a modified prospective application, which requires the fair value of all unvested awards to be amortized over the remaining service period, as well as restatement of prior years' expense. The transition guidance and disclosure provisions of SFAS No. 148 were effective for fiscal years ending after December 15, 2002. See Note 11 to the Condensed Consolidated Financial Statements for these disclosures. Merrill Lynch is continuing to evaluate the transition guidance of SFAS No. 148 and currently accounts for stock based compensation in accordance with the intrinsic value-based method in Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees.

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On November 25, 2002, the FASB issued FIN 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, an Interpretation of FASB Statements Nos. 5, 57, and 107 and Rescission of FASB Interpretation No. 34. FIN 45 requires guarantors to disclose their obligations under certain guarantees. It also requires a guarantor to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 apply on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosures were effective for financial statements of interim or annual periods ending after December 15, 2002. See Note 10 to the Condensed Consolidated Financial

Statements for these disclosures.

In July 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. This standard requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than at the date of a commitment to an exit or disposal plan. SFAS No. 146 replaces the guidance provided by EITF Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). Merrill Lynch adopted SFAS No. 146 as of January 1, 2003, which had no material impact on the Condensed Consolidated Financial Statements.

<TABLE>
<CAPTION>

STATISTICAL DATA

	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.
3rd Qtr.	2002	2002	2003	2003
Client Assets (dollars in billions) 2003				
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
<C>				
GPC:				
U.S.	\$ 997	\$ 1,021	\$ 1,009	\$ 1,076
\$ 1,093				
Non-U.S.	87	89	86	92
92	-----	-----	-----	-----

Total GPC Assets	1,084	1,110	1,095	1,168
1,185				
MLIM direct sales	205	201	193	205
202	-----	-----	-----	-----

Total Client Assets	\$ 1,289	\$ 1,311	\$ 1,288	\$ 1,373
\$ 1,387	=====	=====	=====	=====
=====				
ASSETS IN ASSET-PRICED ACCOUNTS	\$ 177	\$ 182	\$ 181	\$ 200
\$ 206				
ASSETS UNDER MANAGEMENT:				
Retail	\$ 182	\$ 189	\$ 187	\$ 195
\$ 194				
Institutional	234	235	220	239
241				
Private Investors(1)	36	38	35	37
38				
U.S.	305	313	303	320
327				
Non-U.S.	147	149	139	151
146				
Equity	190	191	183	209
202				
Fixed-income	119	122	108	108
125				
Money market	143	149	151	154
146				

UNDERWRITING (dollars in billions):

Global Equity and Equity-Linked:				
Volume	\$ 3	\$ 6	\$ 4	\$ 8
\$ 8				
Market share	5.9 %	10.4 %	8.1 %	7.8
% 7.5 %				
Global debt:				

	Volume	\$ 65	\$ 59	\$ 95	\$ 86
\$	85				
	Market share	7.6 %	6.5 %	7.1 %	6.5
%	8.0 %				

 FULL-TIME EMPLOYEES:

	U.S.	41,800	40,000	39,100	38,200
37,800					
	Non-U.S.	11,400	10,900	10,400	10,000
10,000					
	Total	53,200	50,900	49,500	48,200
47,800					
	Private Client Financial Advisors	14,600	14,000	13,600	13,300
13,400					

 Balance Sheet (dollars in millions, except per share amounts)

Total assets	\$452,140	\$447,928	\$455,587	\$481,075
\$485,767				
Total stockholders' equity	\$ 22,299	\$ 22,875	\$ 23,639	\$ 24,781
\$ 26,077				
Book value per common share	\$ 25.17	\$ 25.69	\$ 24.97	\$ 26.04
\$ 27.21				
SHARE INFORMATION (in thousands)				
Weighted-average shares outstanding:				
Basic	864,629	868,160	887,553	897,202
904,829				
Diluted	934,477	942,893	939,220	965,288
991,066				
Common shares outstanding	869,019	873,780	929,768	935,152
942,637				

 (1) Represents segregated portfolios for individuals, small corporations and institutions.

</TABLE>

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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 of the end of the period covered by this Form 10-Q. Based on this evaluation, ML & Co.'s Chief Executive Officer and Chief Financial Officer have concluded that ML & Co.'s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective. There have been no significant changes in ML & Co.'s internal control over financial reporting that occurred during the period covered by this Form 10-Q that have materially affected, or are reasonably likely to materially affect, ML & Co.'s internal control over financial reporting.

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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 27, 2002, Quarterly Report on Form 10-Q for the quarter ended June 27, 2003 and Current Reports on Form 8-K dated March 17, 2003, April 28, 2003, and September 17, 2003:

Research-Related Litigation.

On August 12, 2003, and August 19, 2003, the United States District Court for the Southern District of New York denied plaintiffs' motion for reconsideration of the court's decisions dismissing their complaints. Plaintiffs have appealed from these decisions. On October 29, 2003, the United States District Court for the Southern District of New York granted Merrill Lynch's motions to dismiss nine additional research-related class actions. Merrill Lynch intends to move to dismiss the remaining class actions that are pending before the Court. On October 31, 2003, the United States District Court for the Southern District of New York entered final judgments in connection with the April 28, 2003, research settlements between the SEC and ten investment banking firms, including Merrill Lynch. Merrill Lynch is one of ten defendants in an action brought by the Attorney General of West Virginia seeking relief from firms that were parties to the April 28, 2003, research settlement. Merrill Lynch and the other defendants have filed motions to dismiss the complaint and disqualify plaintiff's counsel, and are awaiting a ruling on these motions.

Enron-Related Litigation

Merrill Lynch is among dozens of defendants named in approximately twenty lawsuits involving the collapse of Enron, including actions brought by Enron investors, Enron employees, and Enron itself. On or about October 14, 2003, a fourth former Merrill Lynch employee was indicted for alleged criminal misconduct in connection with a Nigerian Barge transaction that the government alleged helped Enron inflate its 1999 earnings by \$12 million.

IPO Allocation Class Actions

On November 3, 2003, the United States District Court for the Southern District of New York granted the defendants', including Merrill Lynch's, motion to dismiss the claims brought under the antitrust laws. The defendants, including Merrill Lynch, are continuing to defend against the claims brought under the federal securities laws.

Shareholder Derivative Action

On October 24, 2003, the Supreme Court of the State of New York granted Merrill Lynch's motion to dismiss Spear v. Conway, et al., a shareholder derivative action related to Merrill Lynch's research activities.

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 that began in 2000 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.

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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 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 5. Other Information

The 2004 Annual Meeting of Shareholders will be held at 10:00 a.m. on Friday, April 23, 2004 at the Merrill Lynch Conference and Training Center, 800 Scudders Mill Road, Plainsboro, New Jersey. Any shareholder of record entitled to vote generally for the election of directors may nominate one or more persons for election at the Annual Meeting only if proper written notice, as set forth in ML & Co.'s Certificate of Incorporation, has been given to the Secretary of ML &

Co., 222 Broadway, 17th Floor, New York, New York 10038, no earlier than February 8, 2004 and no later than March 4, 2004. In addition, any shareholder intending to bring any other business before the meeting must provide proper written notice, as set forth in ML & Co.'s By-Laws, to the Secretary of ML & Co. on or before March 4, 2004. In order to be included in ML & Co.'s proxy statement, shareholder proposals must be received by ML & Co. no later than November 17, 2003.

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.
- 10 Merrill Lynch & Co., Inc. 2004 Deferred Compensation Plan for a Select Group of Eligible Employees Dated as of September 1, 2003.
- 12 Statement re: computation of ratios.
- 15 Letter re: unaudited interim financial information.
- 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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- 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 99.1 Merrill Lynch & Co., Inc. Code of Ethics for Finance Professionals.

(b) Reports on Form 8-K

The following Current Reports on Form 8-K were filed with or furnished to the Securities and Exchange Commission during the quarterly period covered by this report:

- (i) Current Report dated July 2, 2003 for the purpose of filing the form of ML & Co.'s SUMmation Securities SM Linked to the Performance of the S&P 500 (R) Index due July 2, 2010.
- (ii) Current Report dated July 3, 2003 for the purpose of filing the form of ML & Co.'s 6.5% Callable STock Return Income DEbt Securities SM due July 5, 2005, payable at maturity with Intuit Inc. common stock.
- (iii) Current Report dated July 3, 2003 for the purpose of filing the form of ML & Co.'s Currency Notes Linked to the Norwegian Krone/Swiss Franc Exchange Rate due January 4, 2005.
- (iv) Current Report dated July 8, 2003 for the purpose of furnishing notice of a webcast of a conference call scheduled for July 15, 2003 to review ML & Co.'s operating results.
- (v) Current Report dated July 15, 2003 for the purpose of filing ML & Co.'s Preliminary Unaudited Earnings Summaries for the three months ended June 27, 2003.
- (vi) Current report dated July 29, 2003 for the purpose of filing ML & Co.'s Preliminary Unaudited Consolidated Balance Sheet as of June 27, 2003.
- (vii) Current Report dated August 1, 2003 for the purpose of filing

the form of ML & Co.'s Global Currency Basket Notes due August 2, 2004.

- (viii) Current Report dated August 1, 2003 for the purpose of filing the form of ML & Co.'s 9% Callable SStock Return Income Debt Securities SM due August 1, 2005, payable at maturity with Brocade Communications Systems, Inc. common stock.
- (ix) Current Report dated August 5, 2003 for the purpose of filing the form of ML & Co.'s Strategic Return Notes (R) Linked to the Industrial 15 Index due August 5, 2008.
- (x) Current Report dated August 5, 2003 for the purpose of filing the form of ML & Co.'s S&P 500(R)Market Index Target-Term Securities(R)due August 5, 2010.
- (xi) Current Report dated August 5, 2003 for the purpose of filing the form of ML & Co.'s Accelerated Return Notes Linked to the Amex Biotechnology Index SM due October 5, 2004.
- (xii) Current Report dated August 18, 2003 for the purpose of filing the form of ML & Co.'s 6% Callable SStock Return Income DEbt Securities SM due August 18, 2005, payable at maturity with The Walt Disney Company common stock.
- (xiii) Current Report dated August 29, 2003 for the purpose of filing the form of ML & Co.'s Interest Rate Call Warrants Linked to the Ten Year Constant Maturity U.S. Treasury Yield Expiring August 29, 2005.

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- (xiv) Current Report dated September 3, 2003 for the purpose of filing the form of ML & Co.'s S&P 500(R)Market Index Target-Term Securities(R)due September 3, 2008.
- (xv) Current Report dated September 3, 2003 for the purpose of filing the form of ML & Co.'s Market Recovery Notes SM Linked to the Nasdaq-100 Index (R) due November 24, 2004.
- (xvi) Current Report dated September 17, 2003 for the purpose of reporting the unsealing of an indictment against three former Merrill Lynch employees and that the Department of Justice has agreed not to prosecute Merrill Lynch for crimes that may have been committed by its former employees related to the transaction, subject to certain understandings.
- (xvii) Current Report dated September 23, 2003 for the purpose of filing the form of ML & Co.'s Multi-Currency Notes due September 23, 2005.
- (xviii) Current Report dated September 23, 2003 for the purpose of filing the form of ML & Co.'s Accelerated Return Notes linked to Pfizer Inc. common stock due November 23, 2004.

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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: November 5, 2003

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INDEX TO EXHIBITS

Exhibits

- 10 Merrill Lynch & Co., Inc. 2004 Deferred Compensation Plan for a Select Group of Eligible Employees Dated as of September 1, 2003.
- 12 Statement re: computation of ratios.
- 15 Letter re: unaudited interim financial information.
- 31.1 Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 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.
- 99.1 Merrill Lynch & Co., Inc. Code of Ethics for Finance Professionals.

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MERRILL LYNCH & CO., INC.
2004 DEFERRED COMPENSATION PLAN
FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

DATED AS OF SEPTEMBER 1, 2003

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

MERRILL LYNCH & CO., INC.
2004 DEFERRED COMPENSATION PLAN
FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

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MERRILL LYNCH & CO., INC.
2004 DEFERRED COMPENSATION PLAN
FOR A SELECT GROUP OF ELIGIBLE EMPLOYEES

Article I

GENERAL

1.1 Purpose and Intent.

The purpose of the Plan is to encourage the employees who are integral to the success of the business of the Company to continue their employment by providing them with flexibility in meeting their future income needs. This Plan is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees within the meaning of Title I of ERISA, and all decisions concerning who is to be considered a member of that select group and how this Plan shall be administered and interpreted shall be consistent with this intention.

1.2 Definitions.

For the purpose of the Plan, the following terms shall have the meanings indicated.

"Account" means the notional account established on the books and records of ML & Co. for each Participant to record the Participant's interest under the Plan.

"Account Balance" means, as of any date, the Deferred Amounts credited

to a Participant's Account, adjusted in accordance with Section 3.4 to reflect the performance of the Participant's Selected Benchmark Return Options, the Annual Charge, the Debit Balance, (if any) any adjustments in the event of a Capital Call Default, and any payments made from the Account under Article V to the Participant prior to that date.

"Adjusted Compensation" means the financial advisor incentive compensation, account executive incentive compensation or estate planning and business insurance specialist incentive compensation, in each case exclusive of base salary, earned by a Participant during the Fiscal Year ending in 2004, and payable after January 1, 2004, as a result of the Participant's production credit level, or such other similar items of compensation as the Administrator shall designate as "Adjusted Compensation" for purposes of this Plan.

"Administrator" means the Head of Human Resources of ML & Co., or his or her functional successor, or any other person or committee designated as Administrator of the Plan by the Administrator or the MDCC.

"Affiliate" means any corporation, partnership, or other organization of which ML & Co. owns or controls, directly or indirectly, not less than 50% of the total combined voting power of all classes of stock or other equity interests.

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"Annual Charge" means the charge to a Participant's Account provided for in Section 3.4(g).

"Applicable Federal Rate" means the applicable federal rate for short-term (0-3 years) obligations of the United States Treasury as determined initially in the month of closing of ML Ventures and thereafter in January of each subsequent year.

"Available Balance" means amounts in a Participant's Account that are indexed to Benchmark Return Options with daily liquidity after the Account's Debit Balance has been reduced to zero.

"Average Leveraged Principal Amount" means, for each Participant, for any period, the sum of the Leveraged Principal Amounts outstanding at the end of each day in the period divided by the number of days in such period.

"Benchmark Return Options" means such investment vehicles as the Administrator may from time to time designate for the purpose of indexing Accounts hereunder. In the event a Benchmark Return Option ceases to exist or is no longer to be a Benchmark Return Option, the Administrator may designate a substitute Benchmark Return Option for such discontinued option.

"Board of Directors" means the Board of Directors of ML & Co.

"Capital Call" means the periodic demands for funds from a Participant's Account that will be equal to and occur simultaneously with capital calls made by private equity funds (including ML Ventures) chosen as a return option by the Participant.

"Capital Call Default" means that there is an insufficient Liquid Balance in the Participant's Account to fund a Capital Call.

"Capital Demand Default Adjustment" means the negative adjustment described in Section 3.4 in the number of "units" (including units acquired by "Leverage") attributed to a Private Equity Fund Return Options that will be the result of a Capital Call Default.

"Cash Compensation" means (1) (for VICP eligible employees) salary in the reference year plus VICP earned in the reference year and paid in January or February of the next calendar year or (2) (for Financial Advisors and other employees receiving Adjusted Compensation) base salary plus Adjusted Compensation paid in the reference year.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"Company" means ML & Co. and all of its Affiliates.

"Compensation" means, as relevant, a Participant's Adjusted Compensation, Variable Incentive Compensation and/or Sign-On Bonus, or such other items or items of compensation as the Administrator, in his or her sole discretion, may specify in a particular instance.

"Debit Balance" means, as of any date, the dollar amount, if any, representing each of: (1) the aggregate Annual Charge, accrued in accordance with Section 3.4(g)(i); and (2) any Leveraged Principal Amount (together with any pro rata Interest Amounts determined in accordance with Section 3.4(g)(ii), if applicable), as reduced by any distributions recorded from ML Ventures Units recorded in a Participant's Account in accordance with Section 3.4(e).

"Deferral Percentage" means the percentage (which, unless the Administrator, in his or her sole discretion, determines otherwise, shall be in whole percentage increments and not more than 90%) specified by the Participant to be the percentage of each payment of Compensation he or she wishes to defer under the Plan.

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"Deferred Amounts" means, except as provided in Section 5.6, the amounts of Compensation actually deferred by the Participant under this Plan.

"Election Year" means the 2003 calendar year.

"Eligible Compensation" means (1) for persons eligible for the Variable Incentive Compensation Program or other similar programs: (A) a Participant's 2002 base earnings plus (B) any cash bonus awarded in early 2003, and (2) for persons ineligible for such bonus programs, a Participant's 2002 Adjusted Compensation.

"Eligible Employee" means an employee eligible to defer amounts under this Plan, as determined under Section 2.1 hereof.

"ERISA" means the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time.

"Fiscal Month" means the monthly period used by ML & Co. for financial accounting purposes.

"Fiscal Year" means the annual period used by ML & Co. for financial accounting purposes.

"Full-Time Domestic Employee" means a full-time employee of the Company paid from the Company's domestic based payroll (other than any U.S. citizen or "green card" holder who is employed outside the United States).

"Full-Time Expatriate Employee" means a U.S. citizen or "green card" holder employed by the Company outside the United States and selected by the Administrator as eligible to participate in the Plan (subject to the other eligibility criteria).

"Initial Leveraged Amount" means the initial dollar amount by which a Participant's deferral into ML Ventures Units is leveraged as determined in accordance with Section 3.4(c).

"Interest" means the hypothetical interest accruing on a Participant's Average Leveraged Principal Amount at the Applicable Federal Rate.

"Interest Amounts" means, for any Participant, as of any date, the amount of Interest that has accrued to such date on such Participant's Average Leveraged Principal Amount, from the date on which a Participant's Leveraged Principal Amount is established, or from the most recent date that Interest Amounts were added to the Leveraged Principal Amount.

"Leveraged or Unleveraged Distributions" means the distributions to a Participant's Account attributable to the leveraged or unleveraged portion (as the case may be) of a Participant's ML Ventures Units.

"Leverage-Eligible Participants" means persons who (1) are accredited investors within the meaning of the Securities Act of 1933, and (2) received Cash Compensation of at least \$300,000 in 2002, and (3) received Cash Compensation of at least \$200,000 in 2001 and otherwise qualify, in accordance with standards determined by the Administrator, to select a ML Ventures Return Option on a leverage basis.

"Leveraged Principal Amount" means a Participant's Initial Leveraged Amount, if any, as adjusted to reflect the addition of Interest Amounts (or any pro rata Interest Amounts).

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"Leverage Percentage" means the percentage of leverage chosen by a Leverage-Eligible Participant, which percentage shall not exceed 200%.

"Liquid Balance" means, as of any date, the Deferred Amounts credited to a Participant's Account, not including amounts that represent future commitments to Private Equity Funds, including ML Ventures, adjusted (either up or down) to reflect: (1) the performance of the Participant's Mutual Fund Return Balances as provided in Section 3.4(f); (2) distributions with respect to ML Ventures Units made in accordance with Section 3.4(d); (3) reduction of any Debit Balance as provided in Section 3.4(e); and (4) any payments to the Participant under Article V hereof.

"Maximum Deferral" means the whole dollar amount specified by the

Participant to be the amount of Compensation he or she elects to be deferred under the Plan.

"MDCC" means the Management Development and Compensation Committee of the Board of Directors.

"ML & Co." means Merrill Lynch & Co., Inc.

"ML Ventures Return Option" means the option of indexing returns hereunder to the performance of a ML Ventures limited partnership, on a leveraged or unleveraged basis.

"ML Ventures Units" means the record-keeping units credited to the Accounts of Participants who have chosen the ML Ventures Return Option.

"Mutual Fund Return Options" means the mutual funds chosen as Benchmark Return Options by the Administrator.

"Net Asset Value" means, with respect to each Benchmark Return Option that is a mutual fund or other commingled investment vehicle for which such values are determined in the normal course of business, the net asset value, on the date in question, of the vehicle for which such value is being determined.

"Participant" means an Eligible Employee who has elected to defer Compensation under the Plan.

"Plan" means this Merrill Lynch & Co., Inc. 2004 Deferred Compensation Plan for a Select Group of Eligible Employees.

"Plan Year" means the Fiscal Year ending in 2004.

"Private Fund Return Option(s)" means one or more private funds that are chosen by the Administrator to be offered - with such limitations as may be required - to eligible Participants as Benchmark Return Options.

"Private Fund Unit(s)" means the record-keeping units credited to the Accounts of Participants who have chosen one or more Private Fund Return Options.

"Retirement" means a Participant's (i) termination of employment with the Company for reasons other than for cause on or after the Participant's 65th birthday, or (ii) resignation on or after the Participant's 55th birthday if the Participant has at least 10 years of service, or (iii) resignation at any age with the express approval of the Administrator, which will be granted only if the termination is found by the Administrator to be in, or not contrary to, the best interests of the Company.

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"Rule of 45" means a Participant's termination of employment with the Company for reasons other than cause (1) on or after (A) having completed at least five (5) years of service and (B) reaching any age, that, when added to service with the Company (in each case, expressed as completed years and completed months), equals at least 45; or (2) as the result of (A) becoming employed by an unconsolidated affiliate of the Company (as specified by the Head of Human Resources) or (B) being a part of a divestiture or spin-off designated by the Head of Human Resources as eligible, provided that, a Participant shall not qualify for the Rule of 45 if he or she engages in a business which the Administrator, in his or her sole discretion, determines to be in competition with the business of the Company.

"Remaining Deferred Amounts" means the product of a Participant's Deferred Amounts times a fraction equal to the number of remaining installment payments divided by the total number of installment payments.

"Selected Benchmark Return Option" means a Benchmark Return Option selected by the Participant in accordance with Section 3.4.

"Sign-On Bonus" means a single-sum amount paid or payable to a new Eligible Employee during the Plan Year upon commencement of employment, in addition to base pay and other Compensation, to induce him or her to become an employee of the Company, or any similar item of compensation as the Administrator shall designate as "Sign-On Bonus" for purposes of this Plan.

"Undistributed Deferred Amounts" means, as of any date on which the Annual Charge is determined, a Participant's Deferred Amounts (exclusive of any appreciation or depreciation) minus, for each distribution to a Participant prior to such date, an amount equal to the product of the Deferred Amounts and a fraction the numerator of which is the amount of such distribution and the denominator of which is the combined Net Asset Value (prior to distribution) of the Participant's Account as of the date of the relevant distribution.

"Variable Incentive Compensation" means the variable incentive compensation or office manager incentive compensation that is paid in cash to

certain employees of the Company generally in January or February of the Plan Year with respect to the prior Fiscal Year, which for purposes of this Plan is considered earned during the Plan Year regardless of when it is actually paid to the Participant, or such other similar items of compensation as the Administrator shall designate as "Variable Incentive Compensation" for purposes of this Plan.

"401(k) Plan" means the Merrill Lynch & Co., Inc. 401(k) Savings & Investment Plan.

ARTICLE II

ELIGIBILITY

2.1 Eligible Employees.

(a) General Rule. An individual is an Eligible Employee if he or she (i) is a Full-Time Domestic Employee or a Full-Time Expatriate Employee, (ii) has at least \$300,000 of Eligible Compensation for the year prior to the Election Year, and (iii) has attained the title of Vice President or higher.

(b) Individuals First Employed During Election Year or Plan Year. Subject to the approval of the Administrator in his or her sole discretion, an individual who is first employed by the Company during the Election Year or the Plan Year is an Eligible Employee if his or her Eligible Compensation, together, if applicable, with the amount of any Variable Incentive Compensation that will be payable to such individual in the next annual bonus cycle pursuant to a written bonus guarantee, is greater than \$300,000, and he or she is employed as or is to be nominated for the title of Vice President or higher at the first opportunity following his or her commencement of employment with the Company.

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(c) Disqualifying Factors. An individual shall not be an Eligible Employee if either (i) as of the deadline for submission of elections specified in Section 3.1(a), the individual's wages have been attached or are being garnished or are otherwise restrained pursuant to legal process, or (ii) within 13 months prior to the deadline for submission of elections specified in Section 3.1(a), the individual has made a hardship withdrawal of Elective 401(k) Deferrals as defined under the 401(k) Plan.

ARTICLE III

DEFERRAL ELECTIONS; ACCOUNTS

3.1 Deferral Elections.

(a) Timing and Manner of Making of Elections. An election to defer Compensation for payment in accordance with Article V shall be made by submitting to the Administrator such forms as the Administrator may prescribe in whatever manner that the Administrator directs. Each election submitted must specify a Maximum Deferral and a Deferral Percentage with respect to each category of Compensation to be deferred. All elections by a Participant to defer Compensation under the Plan must be received by the Administrator or such person as he or she may designate for the purpose by no later than September 30 of the Election Year (or such later date as the Administrator, in his or her sole discretion, may specify in any particular instance) or, in the event such date is not a business day, the immediately preceding business day; provided, however, that the Eligible Employee's election to defer a Sign-On Bonus must be part of such Eligible Employee's terms and conditions of employment agreed to prior to the Eligible Employee's first day of employment with the Company.

(b) Irrevocability of Deferral Election. Except as provided in Sections 3.5 and 5.5, an election to defer the receipt of any Compensation made under Section 3.1(a) is irrevocable once submitted to the Administrator or his or her designee. The Administrator's acceptance of an election to defer Compensation shall not, however, affect the contingent nature of such Compensation under the plan or program under which such Compensation is payable.

(c) Application of Election. The Participant's Deferral Percentage will be applied to each payment of Compensation to which the Participant's deferral election applies, provided that the aggregate of the Participant's Deferred Amounts shall not exceed the Participant's Maximum Deferral. If a Participant has made deferral elections with respect to more than one category of Compensation, this Section 3.1(c) shall be applied separately with respect to each such category.

3.2 Crediting to Accounts.

(a) Initial Deferrals. A Participant's Deferred Amounts will be credited to the Participant's Account as soon as practicable (but in no event

later than the end of the following month) after the last day of the Fiscal Month during which such Deferred Amounts would, but for deferral, have been paid and will be accounted for in accordance with Section 3.4. No interest will accrue, nor will any adjustment be made to an Account, for the period until the Deferred Amounts are credited.

(b) Private Fund Return Options. Upon the closing of any Private Return Option, a Participant's Account will be credited with a number of units determined by dividing by \$1,000 the sum of the following: (1) the portion of the Account Balance that the Participant has elected to allocate to the Private Return Option, as of the day prior to the closing date; and (in the case of ML Ventures only) (2) the Participant's Initial Leveraged Amount (computed in accordance with Section 3.4(c)).

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3.3 Minimum Requirements for Deferral.

(a) Minimum Requirements. Notwithstanding any other provision of this Plan, no deferral will be effected under this Plan with respect to a Participant if:

(i) the Participant is not an Eligible Employee as of December 31, 2003,

(ii) the Participant's election as applied to the Participant's Variable Incentive Compensation (determined by substituting the Election Year for the Plan Year) or Adjusted Compensation (determined by substituting the Fiscal Year immediately prior to the Fiscal Year ending in the Election Year for the Fiscal Year ending in the Plan Year) would have resulted in an annual deferral of less than \$15,000, or

(iii) the greater of (A) the sum of (1) the "Medicare wages" amount listed on the Participant's W-2 form for the Plan Year, and (2) any Compensation that is accelerated which the Participant may receive in December of the Election Year which would have been payable in the Plan Year in the absence of the action of the Company to accelerate the payment, or (B) the Participant's Eligible Compensation for the Plan Year, is less than \$250,000;

provided, that any Participant who first becomes an employee of the Company during the Plan Year shall not be required to satisfy conditions (i) and (ii). Condition (ii) does not require a Participant's elections to result in an actual deferral of at least \$15,000.

(b) Failure to Meet Requirements. If the requirements of Section 3.3(a)(i) or (ii) are not met by a Participant to whom such requirements are applicable, such Participant's Deferred Amounts, if any, will be paid to such Participant, without adjustment to reflect the performance of any Selected Benchmark Return Option, as soon as practicable after it has been determined that the requirements have not been met. If the requirements of Section 3.3(a)(iii) are not met by a Participant, the greater of such Participant's Deferred Amounts or Account Balance will be paid to such Participant as soon as practicable after it has been determined that the requirements have not been met.

3.4 Return Options; Adjustment of Accounts.

(a) Selection of Private Fund Return Options. In any year that a Private Fund partnership is offered as a return option, eligible Participants may select the Private Fund Return Option, provided that the selection that Merrill Lynch will have the discretion to alter the Participant's payout elections if this option is chosen. Participants should be aware that once the closing of the relevant fund has occurred, Participants will not be able to change their elections. Participants should also be aware that in the event of a Capital Call Default, for certain Private Equity Funds, they may be penalized by having their Accounts adjusted downward in accordance with Section 3.4 (d).

(b) Selection of Mutual Fund Return Options. Coincident with the Participant's election to defer Compensation, the Participant must select the percentage of the Participant's Account to be adjusted to reflect the performance of Mutual Fund Return Options, for use when a Participant's Account has a Liquid Balance. All elections shall be in multiples of 1%. A Participant may, by complying with such procedures as the Administrator may prescribe on a uniform and nondiscriminatory basis, including procedures specifying the frequency with respect to which such changes may be effected (but not more than 12 times in any calendar year), change the Selected Benchmark Return Options to be applicable with respect to his or her Account.

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(c) Selection of the ML Ventures Leverage Percentage by Eligible

Participants. Prior to the closing of the offering of an ML Ventures partnership, Leverage-Eligible Participants who select the ML Ventures Return Option on a leveraged basis must choose their Leverage Percentage, in accordance with standards determined by the Administrator, by submitting such forms as the Administrator shall prescribe. Prior to the closing of an ML Ventures partnership, the Administrator will determine each Leverage-Eligible Participant's Initial Leveraged Amount by applying such Participant's Leverage Percentage to the dollar value of the portion of the Participant's Account Balance allocated to the ML Ventures Return Option. The Initial Leveraged Amount will be recorded as the Leveraged Principal Amount, to which amount Interest Amounts will be added annually in accordance with Section 3.4(e).

(d) Adjustments of ML Ventures and other Private Fund Return Options.

- (i) Whenever a distribution is paid on an actual unit of an ML Ventures partnership or other Private Fund Return Option, an amount equal to such per unit distribution times the number of units in the Participant's Account will first be applied against any Debit Balance, as provided in Section 3.4(e), and then, if any portion of such distribution remains after the Debit Balance is reduced to zero, be credited to the Participant's Account to be indexed initially to ML Retirement Reserves and then to the Mutual Fund Return Option(s) chosen by the Participant.
- (ii) In the event of a Capital Call Default, a Participant's notional investment in the relevant fund will be capped. If this occurs, the number of units represented by the return option (including, in the case of ML Ventures, any leveraged units) will be adjusted downward to reflect a smaller investment and resulting lower leverage.
- (iii) The ML Ventures Units and the Debit Balance will also be adjusted in accordance with Section 5.2 hereof in the event of a Participant's termination.

(e) Adjustment of Debit Balance. Any Debit Balance shall be reduced as soon as possible by any distributions relating to ML Ventures Units. Reductions of the Debit Balance, as provided in the foregoing sentence, shall be applied first to reduce the Debit Balance attributable to accrued Annual Charges and then, after all such accrued Annual Charges have been satisfied, to reduce any Leveraged Principal Amount. As of the last day of each Fiscal Year, Interest Amounts computed by the Administrator shall be added to the Leveraged Principal Amount. If on any date the Leveraged Principal Amount would be discharged completely as a result of distributions or chargeoffs, Interest Amounts will be computed through such date and added to the Leveraged Principal Amount as of such date.

(f) Adjustment of Mutual Fund Return Balances. While the Participant's Balances do not represent the Participant's ownership of, or any ownership interest in, any particular assets, the Balances attributable to Mutual Fund Return Options shall be adjusted to reflect credits or debits relating to distributions from any Private Fund Return Options or chargeoffs against the Debit Balance and to reflect the investment experience of the Participant's Mutual Fund Return Options in the same manner as if investments or dispositions in accordance with the Participant's elections had actually been made through the ML Benefit Services Platform and ML II Core Recordkeeping System, or any successor system used for keeping records of Participants' Accounts (the "ML II System"). In adjusting Accounts, the Participant will give instructions to the ML Benefit Services Platform which will be reflected as credits or debits as of the weekly processing of such instructions through the ML II System. This processing shall control the timing and pricing of the notional investments in the Participant's Mutual Fund Return Options in accordance with the rules of operation of the ML II System and its requirements for placing corresponding investment orders, as if orders to make corresponding investments or dispositions were actually to be made on the transaction

processing date. In connection with the crediting of Deferred Amounts or distributions to the Participant's Account and distributions from or debits to the Account, appropriate deferral allocation instructions shall be treated as received from the Participant prior to the close of transactions through the ML II System on the relevant transaction processing date. Each Mutual Fund Return Option shall be valued using the Net Asset Value of the Mutual Fund Return Option as of the relevant transaction processing date; provided, that, in valuing a Mutual Fund Return Option for which a Net Asset Value is not computed, the value of the security involved for determining Participants' rights under the Plan shall be the price reported for actual transactions in that security through the ML II System on the relevant transaction processing date, without giving effect to any transaction charges or costs associated with such transactions; provided, further, that, if there are no such transactions effected through the ML II System on the relevant day, the value of the security shall be:

- (i) if the security is listed for trading on one or more national securities exchanges, the average of the high and low sale prices for that day on the principal exchange for such security, or if such security is not traded on such principal exchange on that day, the average of the high and low sales prices on such exchange on the first day prior thereto on which such security was so traded;
- (ii) if the security is not listed for trading on a national securities exchange but is traded in the over-the-counter market, the average of the highest and lowest bid prices for such security on the relevant day; or
- (iii) if neither clause (i) nor (ii) applies, the value determined by the Administrator by whatever means he considers appropriate in his or her sole discretion.

All debits and charges against the Account shall be applied as a pro rata reduction of the portion of the Account Balance indexed to each of the Participant's Mutual Fund Return Options.

(g) Annual Charge. As of the last day of each Fiscal Year or such earlier day in December as the Administrator shall determine, an Annual Charge of 2.0% of the Participant's Deferred Amounts (exclusive of any appreciation or depreciation determined under Section 3.4 (f)) shall be applied to reduce the Account Balance.

- (i) In the event that all or any portion of the Account Balance is indexed to a Benchmark Return Option with less than daily liquidity, the Annual Charge will accrue as a Debit Balance and be paid out of future amounts credited to the Account Balance.
- (ii) In the event that the Participant elects to have the Account Balance paid in installments, the Annual Charge will be charged on the Remaining Deferred Amounts after giving effect to the installment payments.
- (iii) In the event that the Account Balance is paid out completely during a Fiscal Year prior to the date upon which the Annual Charge is assessed, a pro rata Annual Charge will be deducted from amounts to be paid to the Participant to cover that fraction of the Fiscal Year that Deferred Amounts (or Remaining Deferred Amounts in the case of installment payments) were maintained hereunder. The Annual Charge shall be applied as a pro rata reduction of the portion of the Account Balance indexed to each of the Participant's Selected Benchmark Return Options. In applying the Annual Charge, the pricing principles set forth in Section 3.4(f) will be followed.

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(h) Rollover Option. In the discretion of the Administrator or a designee, additional Benchmark Return Options, including Return Options with less than daily liquidity, may be offered to all Participants under the Plan or to a more limited group of Participants. In such event, Participants will be allowed, in such manner as the Administrator shall determine, to elect that all or a portion of Account Balances be indexed to such Benchmark Return Options.

- (i) With respect to Benchmark Return Options that do not provide daily liquidity: (A) payments under Article V will be made in accordance with a Participant's election at the time of the Participant's original deferral, with any adjustments required for the more limited liquidity of such Return Option; (B) Participants may be limited in their ability to elect, change or continue their Benchmark Return Options in accordance with such terms and conditions as the Administrator or a designee may determine; and (C) the Annual Charge shall be accrued and paid, when possible, upon liquidation of all or any portion of the Benchmark Return Option, provided that no payment shall be made to a Participant under Article V hereof until all accrued Annual Charges have been paid.
- (ii) In the event that such limited liquidity options include future ML Ventures Partnerships, the designated amounts shall be credited to such Participant, accounted for, adjusted and paid out to such Participant in accordance with the terms and conditions of this Plan as they related to the ML Ventures Return Option.

3.5 Rescission of Deferral Election.

- (a) Prior to December 1, 2003. A deferral election hereunder may be

rescinded at the request of a Participant only (i) on or before December 1, 2003, and (ii) if the Administrator, in his or her sole discretion and upon evidence of such basis that he or she finds persuasive (including a material applicable change in the Participant's U.S. Federal and/or foreign income tax rate during the period between October 31, 2003 and November 30, 2003), agrees to the rescission of the election. In the event that the Administrator agrees to the rescission, the Deferred Amounts, if any, credited to the Participant's Account will be paid to the Participant as soon as practicable thereafter, subject to reduction for any applicable withholding taxes.

(b) Adverse Tax Determination. Notwithstanding the provisions of Section 3.5(a), a deferral election may be rescinded at any time if (i) a final determination is made by a court or other governmental body of competent jurisdiction that the election was ineffective to defer income for purposes of U.S. Federal, state, local or foreign income taxation and the time for appeal from this determination has expired, and (ii) the Administrator, in his or her sole discretion, decides, upon the Participant's request and upon evidence of the occurrence of the events described in (i) hereof that he or she finds persuasive, to rescind the election. Upon such rescission, the Account Balance, including any adjustment for performance of the Selected Benchmark Return Options, will be paid to the Participant as soon as practicable, and no additional amounts will be deferred pursuant to this Plan.

(c) Rescission For Amounts Not Yet Earned. Upon the Participant's written request, the Administrator may in his or her sole discretion terminate any deferral elections made hereunder with respect to Compensation not yet earned and no further amounts will be deferred. In addition, in the event a Participant receives a hardship withdrawal under the 401(k) Plan, the Administrator shall, as of the date the Participant's Elective 401(k) Deferrals (as defined in the 401(k) Plan) are suspended under the 401(k) Plan as a result of such hardship withdrawal, terminate the Participant's deferrals under this Plan in accordance with the preceding sentence, as if the Participant had requested rescission in writing. In each case, amounts previously deferred will continue to be governed by the terms of this Plan.

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ARTICLE IV

STATUS OF DEFERRED AMOUNTS AND ACCOUNT

4.1 No Trust or Fund Created; General Creditor Status.

Nothing contained herein and no action taken pursuant hereto will be construed to create a trust or separate fund of any kind or a fiduciary relationship between ML & Co. and any Participant, the Participant's beneficiary or estate, or any other person. Title to and beneficial ownership of any funds represented by the Account Balance will at all times remain in ML & Co.; such funds will continue for all purposes to be a part of the general funds of ML & Co. and may be used for any corporate purpose. No person will, by virtue of the provisions of this Plan, have any interest whatsoever in any specific assets of the Company. TO THE EXTENT THAT ANY PERSON ACQUIRES A RIGHT TO RECEIVE PAYMENTS FROM ML & CO. UNDER THIS PLAN, SUCH RIGHT WILL BE NO GREATER THAN THE RIGHT OF ANY UNSECURED GENERAL CREDITOR OF ML & CO.

4.2 Non-Assignability.

The Participant's right or the right of any other person to the Account Balance or any other benefits hereunder cannot be assigned, alienated, sold, garnished, transferred, pledged, or encumbered except by a written designation of beneficiary under this Plan, by written will, or by the laws of descent and distribution.

4.3 Effect of Deferral on Benefits Under Pension and Welfare Benefit Plans.

The effect of deferral on pension and welfare benefit plans in which the Participant may participate will depend upon the provisions of each such plan, as amended from time to time.

ARTICLE V

PAYMENT OF ACCOUNT

5.1 Manner of Payment.

(a) Regular Payment Elections. A Participant's Account Balance will be paid by the Company, as elected by the Participant at the time of his or her deferral election, either in a single payment to be made, or in the number of annual installments (not to exceed 15) chosen by the Participant to commence, (i) in the month following the month of the Participant's Retirement or death, (ii) in any month and year selected by the Participant after the end of 2004, or

(iii) in any month in the calendar year following the Participant's Retirement; provided that, if a Participant's election would result in payment (in the case of a single payment) or commencement of payment (in the case of installment payments) after the Participant's 70th birthday, then, notwithstanding the Participant's elections, the Company will pay, or commence payment of, the Participant's Account Balance in the month following the Participant's 70th birthday unless the Participant continues to be an active full time employee at such time, in which case the Company will pay, or commence payment of, the Participant's Account Balance in the month following the Participant's cessation of active service (to the extent payment has not already been made or commenced). The amount of each annual installment, if applicable, shall be determined by multiplying the Account Balance as of the last day of the month immediately preceding the month in which the payment is to be made by a fraction, the numerator of which is one and the denominator of which is the number of remaining installment payments (including the installment payment to be made). In the event that immediately prior to the lump sum payment or the initial installment payment, all or any portion of a Participant's Account

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Balance remains indexed to a Benchmark Return Option with less than daily liquidity, such payment shall be adjusted, if necessary, for the liquidity restraints of the Benchmark Return Option and, in the case of an election of 11 or more installment payments commencing upon Retirement or a date certain coincident with Retirement, shall be delayed until such Account Balance is fully liquid.

(b) Modified Installment Payments. In lieu of one of the regular payment elections provided for in Section 5.1(a), a Participant may elect to receive the Account Balance in at least 11 but no more than 15 annual installment payments ("modified installment payments"), such modified installment payments to commence on the last business day in March in the year following the Participant's Retirement or death (the "Initial Payment Date"), provided that, in the event that immediately prior to the initial payment of such installment payments, all or any portion of a Participant's Account Balance remains indexed to a Benchmark Return Option with less than daily liquidity, such initial payment shall be delayed until such Account Balance is fully liquid. The modified installment payments shall be computed in accordance with last sentence of Section 5.1(a) and will in all other respects be treated like regular installment payments under the Plan. By electing modified installment payments, the Participant agrees that at any time prior to the last day of February immediately preceding a Participant's Initial Payment Date (the "Determination Date"), ML & Co. shall have the right, without the consent of the Participant or any beneficiary, to change the Participant's method of payment to 11 annuitized payments ("annuitized payments"), in the event that, in the sole discretion of the Administrator, it is determined that such a change is necessary or appropriate in order to preserve the intended state tax benefits of the modified installment payments to the Participant or any beneficiary. In the event that the Administrator determines that annuitized payments shall be made, the amount of the annuitized payments will be determined by applying the Discount Rate, as defined below, to the Account Balance as of the Determination Date to create a stream of 11 equal annual payments. If annuitized payments are to be made, then the Account Balance shall cease to be adjusted pursuant to Section 3.4 as of the Determination Date (except that a pro rata Annual Charge will be deducted from the Account Balance prior to calculation of the annuitized payments to cover the fraction of the Fiscal Year preceding the Determination Date) and the Company's only obligation to the Participant shall be to make the annuitized payments when due. As used herein, Discount Rate shall mean ML & Co.'s then-applicable after-tax cost of borrowing and is defined as $(A) \times (B)$, where (A) is equal to 1 minus ML & Co.'s then-effective tax rate, expressed as a decimal, and (B) is equal to the sum of: (i) the annual yield on the then-current 5-year U.S. Treasury Note, and (ii) a spread (which will not be less than 0.10%) indicative of ML & Co.'s borrowing cost for transactions of similar structure and average maturity to the annuity, as determined by ML & Co.

(c) Merrill Lynch's Right to Alter Payment Date. Notwithstanding the provisions of Sections 5.1(a) and (b), if the Participant chooses an illiquid private equity benchmark, the Administrator may, in his or her sole discretion, direct that the Account Balance be paid as amounts are distributed by the underlying private equity fund rather than in accordance with the Participant's original elections.

5.2 Termination of Employment.

(a) Death, Retirement, Rule of 45. Upon a Participant's death or Retirement (as defined in this Plan), or termination when the Participant complies with the Rule of 45 (as defined in this Plan) prior to payment, the Account Balance will be paid, in accordance with the Participant's elections and as provided in Section 5.1(a) or (b), as applicable, to the Participant or to the Participant's beneficiary (in the event of death); provided, however, that (1) in the event that the Participant enters into competition with the business of Merrill Lynch, he or she will not be eligible for Retirement treatment under

this Section 5.2 (a) and (2) in the event that a beneficiary of the Participant's Account is the Participant's estate or is otherwise not a natural

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person, then (i) if the Participant has elected a regular payment election pursuant to Section 5.1(a), the applicable portion of the Account Balance will be paid in a single payment to such beneficiary notwithstanding any election of installment payments, and (ii) if the Participant has elected modified installment payments pursuant to Section 5.1(b), the applicable portion of the Account Balance will continue to be payable as modified installment payments or annuitized payments, as the case may be, in accordance with Section 5.1(b), but only to a single person consisting of the administrator or executor of the Participant's estate or another person lawfully designated by the administrator or executor (and in the event no such person is designated within a reasonable time, payment will be made in a lump sum).

(b) Other Termination of Employment - Forfeiture of Leverage.

(1) If the Participant's employment terminates at any time for any other reason than those described in Section 5.2 (a), then, notwithstanding the Participant's elections hereunder, any Available Balance will be paid to the Participant, as soon as practicable, in a single payment if the Account Balance is fully liquid, or as available, as soon thereafter as is practicable, notwithstanding the Participant's elections hereunder.

(2) In the event that a Participant's employment terminates at any time for any reason other than death or disability or in the event that the Participant qualifies for Retirement under this Plan, such Participant will forfeit all rights to the unvested leveraged portion of such Participant's ML Ventures Units, including any future Leveraged Distributions, unless the Administrator, in his or her sole discretion, determines that such forfeiture would be detrimental to Merrill Lynch; provided, however, that such forfeiture will not occur: if (a) the Participant is terminated by ML & Co. as the result of a reduction in staff, (b) the Participant delivers to ML & Co. a release of claims (in a form approved by the Administrator and counsel) he or she may have against the corporation or any of its subsidiaries, and (3) such Participant complies with the terms of such release. In the event of such forfeiture, the Participant's Account Balance and Debit Balance will be restated, as of the date of termination, to reflect what such balances would have been had the Participant selected no leverage under Section 3.4(c). To the extent necessary, the Participant's Account Balance will also be adjusted, as of the date of the termination, to credit the Participant with the amount of any Unleveraged Distributions that were previously applied to the repayment of the Leveraged Principal Amount and any Interest Amounts and, to the extent necessary, any Leveraged Distributions paid out to the Participant will be restated as a Debit Balance. Leveraged and Unleveraged Distributions shall be deemed to have been applied and distributed proportionately. All calculations hereunder shall be made by the Administrator and shall be final and conclusive.

(c) Leave of Absence, Transfer or Disability. The Participant's employment will not be considered as terminated if the Participant (1) is on an approved leave of absence; (2) transfers or is transferred but remains in the employ of the Company or an unconsolidated affiliate; or (3) is eligible to receive disability payments under the ML & Co. Basic Long-Term Disability Plan.

(d) Discretion to Alter Payment Date. Notwithstanding the provisions of Sections 5.2(a) and (b), if the Participant's employment terminates for any reason, the Administrator may, in his or her sole discretion, direct that the Account Balance be paid at some other time or that it be paid in installments; provided that no such direction that adversely affects the rights of the Participant or his or her beneficiary under this Plan shall be implemented without the consent of the affected Participant or beneficiary.

5.3 Withholding of Taxes.

ML & Co. will deduct or withhold from any payment to be made or deferred hereunder any U.S. Federal, state or local or foreign income or employment taxes required by law to be withheld or require the Participant or the Participant's beneficiary to pay any amount, or the balance of any amount, required to be withheld.

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5.4 Beneficiary.

(a) Designation of Beneficiary. The Participant may designate, in a writing delivered to the Administrator or his or her designee before the Participant's death, a beneficiary to receive payments in the event of the Participant's death. The Participant may also designate a contingent beneficiary to receive payments in accordance with this Plan if the primary beneficiary does not survive the Participant. The Participant may designate more than one person

as the Participant's beneficiary or contingent beneficiary, in which case (i) no contingent beneficiary would receive any payment unless all of the primary beneficiaries predeceased the Participant, and (ii) the surviving beneficiaries in any class shall share in any payments in proportion to the percentages of interest assigned to them by the Participant.

(b) Change in Beneficiary. The Participant may change his or her beneficiary or contingent beneficiary (without the consent of any prior beneficiary) in a writing delivered to the Administrator or his or her designee before the Participant's death. Unless the Participant states otherwise in writing, any change in beneficiary or contingent beneficiary will automatically revoke prior such designations of the Participant's beneficiary or of the Participant's contingent beneficiary, as the case may be, under this Plan only; and any designations under other deferral agreements or plans of the Company will remain unaffected.

(c) Default Beneficiary. In the event that a Participant does not designate a beneficiary, or no designated beneficiary survives the Participant, the Participant's beneficiary shall be the Participant's surviving spouse, if the Participant is married at the time of his or her death and not subject to a court-approved agreement or court decree of separation, or otherwise the person or persons designated to receive benefits on account of the Participant's death under the ML & Co. Basic Group Life Insurance Plan (the "Life Insurance Plan"). However, if an unmarried Participant does not have coverage in effect under the Life Insurance Plan, or the Participant has assigned his or her death benefit under the Life Insurance Plan, any amounts payable to the Participant's beneficiary under the Plan will be paid to the Participant's estate.

(d) If the Beneficiary Dies During Payment. If a beneficiary who is receiving or is entitled to receive payments hereunder dies after the Participant dies, but before all the payments have been made, the portion of the Account Balance to which that beneficiary was entitled will be paid as soon as practicable in one lump sum to such beneficiary's estate and not to any contingent beneficiary the Participant may have designated; provided, however, that if the beneficiary was receiving modified installment payments or annuitized payments pursuant to Section 5.1(b), the applicable portion of the Account Balance will continue to be paid as modified installment payments or annuitized payments, as the case may be, in accordance with Section 5.1(b), but only to a single person consisting of the administrator or executor of the beneficiary's estate or another person lawfully designated by the administrator or executor (and in the event no such person is designated within a reasonable time, payment will be made in a lump sum).

5.5 Hardship Distributions.

ML & Co. has the sole discretion, but shall not be required to, pay to the Participant, on such terms and conditions as the Administrator may establish, such part or all of the Account Balance as he or she may, in his or her sole discretion based upon substantial evidence submitted by the Participant, determine necessary to alleviate hardship caused by an unanticipated emergency or necessity outside of the Participant's control affecting the Participant's personal or family affairs. Such payment will be made only at the Participant's written request and with the express approval of the Administrator and will be made on the date selected by the Administrator in his or her sole discretion. The balance of the Account, if any, will continue to be governed by the terms of this Plan. Hardship shall be deemed to exist only on account of expenses for medical care (described in Code Section 213(d)) of the

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Participant, the Participant's spouse or the Participant's dependents (described in Code Section 152); payment of unreimbursed tuition and related educational fees for the Participant, the Participant's spouse or the Participant's dependents; the need to prevent the Participant's eviction from or, foreclosure on, the Participant's principal residence; unreimbursed damages resulting from a natural disaster; or such other financial need deemed by the Administrator in his or her sole discretion to be immediate and substantial.

5.6 Domestic Relations Orders.

Notwithstanding the Participant's elections hereunder, ML & Co. will pay to, or to the Participant for the benefit of, the Participant's spouse or former spouse the portion of the Participant's Account Balance specified in a valid court order entered in a domestic relations proceeding involving the Participant's divorce or legal separation. Such payment will be made net of any amounts the Company may be required to withhold under applicable federal, state or local law. After such payment, references herein to the Participant's "Deferred Amounts" (including, without limitation, for purposes of determining the Annual Charge applicable to any remaining Account Balance) shall mean the Participant's original Deferred Amounts times an amount equal to one minus a fraction, the numerator of which is the gross amount (prior to withholding) paid pursuant to the order, and the denominator of which is the Participant's Account Balance immediately prior to payment.

5.7 No Actions Permitted that Would Cause Constructive Receipt

Notwithstanding any provision of the Plan to the contrary, no acceleration or other modification of the time or form of payment of any amount under the Plan shall be permitted to the extent that such acceleration or modification would cause any Participant or Beneficiary to be in constructive receipt of any amount hereunder.

ARTICLE VI

ADMINISTRATION OF THE PLAN

6.1 Powers of the Administrator.

The Administrator has full power and authority to interpret, construe and administer this Plan so as to ensure that it provides deferred compensation for the Participants as members of a select group of management or highly compensated employees within the meaning of Title I of ERISA. The Administrator's interpretations and construction hereof, and actions hereunder, including any determinations regarding the amount or recipient of any payments, will be binding and conclusive on all persons for all purposes. The Administrator will not be liable to any person for any action taken or omitted in connection with the interpretation and administration of this Plan unless attributable to his or her willful misconduct or lack of good faith. The Administrator may designate persons to carry out the specified responsibilities of the Administrator and shall not be liable for any act or omission of a person as designated.

6.2 Grantor Trust

Creation of Trust. The Administrator shall be empowered to create a grantor trust to hold assets representing the amounts deferred under this Plan on such terms and conditions as the Administrator shall approve. The trustee of the grantor trust shall be a party unaffiliated with the Company.

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6.3 Payments on Behalf of an Incompetent.

If the Administrator finds that any person who is entitled to any payment hereunder is a minor or is unable to care for his or her affairs because of disability or incompetency, payment of the Account Balance may be made to anyone found by the Administrator to be the committee or other authorized representative of such person, or to be otherwise entitled to such payment, in the manner and under the conditions that the Administrator determines. Such payment will be a complete discharge of the liabilities of ML & Co. hereunder with respect to the amounts so paid.

6.4 No Right of Set-Off.

Unless specifically authorized by a Participant, the Company shall have no right of set-off with respect to any Participant's Account Balances or Account under the Plan and unless so authorized, the Company shall not withhold any sums owed to a Participant under the Plan.

6.5 Corporate Books and Records Controlling.

The books and records of the Company will be controlling in the event that a question arises hereunder concerning the amount of Adjusted Compensation, Incentive Compensation, Sign-On Bonus, Eligible Compensation, the Deferred Amounts, the Account Balance, the designation of a beneficiary, or any other matters.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1 Litigation.

The Company shall have the right to contest, at its expense, any ruling or decision, administrative or judicial, on an issue that is related to the Plan and that the Administrator believes to be important to Participants, and to conduct any such contest or any litigation arising therefrom to a final decision.

7.2 Headings Are Not Controlling.

The headings contained in this Plan are for convenience only and will not control or affect the meaning or construction of any of the terms or provisions of this Plan.

7.3 Governing Law.

To the extent not preempted by applicable U.S. Federal law, this Plan will be construed in accordance with and governed by the laws of the State of New York as to all matters, including, but not limited to, matters of validity, construction, and performance.

7.4 Amendment and Termination.

ML & Co., through the Administrator, reserves the right to amend or terminate this Plan at any time, except that no such amendment or termination shall adversely affect the right of a Participant to his or her Account Balance (as reduced by the Annual Charge, the Debit Balance or the Leveraged Principal Amount and Interest thereon, as set forth in Section 3.4) as of the date of such amendment or termination.

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>

Nine Months Ended	For the Three Months Ended		For the
	Sept. 26, 2003	Sept. 27, 2002	Sept. 26, 2003
-----	-----	-----	-----
Sept. 27, 2002	2003	2002	2003
-----	-----	-----	-----
<S>	<C>	<C>	<C>
<C>			
Pre-tax earnings (a) \$ 3,044	\$ 1,401	\$ 1,054	\$ 3,914
Add: Fixed charges (excluding preferred security dividend requirements of subsidiaries) 7,499	1,839	2,534	5,971
-----	-----	-----	-----
Pre-tax earnings before fixed charges 10,543	3,240	3,588	9,885
=====	=====	=====	=====
Fixed charges:			
Interest 7,342	1,790	2,484	5,825
Other (b) 302	96	98	289
-----	-----	-----	-----
Total fixed charges 7,644	1,886	2,582	6,114
=====	=====	=====	=====
Preferred stock dividend requirements 41	14	14	40
-----	-----	-----	-----
Total combined fixed charges and preferred stock dividends \$ 7,685	\$ 1,900	\$ 2,596	\$ 6,154
=====	=====	=====	=====
Ratio of earnings to fixed charges 1.38	1.72	1.39	1.62
Ratio of earnings to combined fixed charges and preferred stock dividends 1.37	1.71	1.38	1.61
-----	-----	-----	-----

(a) Excludes undistributed earnings (loss) from equity investees.

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

</TABLE>

November 5, 2003

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 September 26, 2003 and for the three-month and nine-month periods ended September 26, 2003 and September 27, 2002, as indicated in our report dated November 5, 2003; 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 September 26, 2003, 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)

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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

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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

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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)

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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

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Certification of Chief Executive Officer

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: November 5, 2003

Certification of Chief Financial Officer

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: November 5, 2003

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 September 26, 2003 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: November 5, 2003

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 September 26, 2003 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: November 5, 2003

MERRILL LYNCH & CO., INC.
 CODE OF ETHICS
 FOR
 FINANCIAL PROFESSIONALS

The Board of Directors of Merrill Lynch & Co., Inc. (together with its affiliates, the "Company" or "Merrill Lynch") has adopted the following Code of Ethics, which applies to all Company Financial Professionals worldwide, to ensure the continuing integrity of financial reporting and transactions.

"Financial Professional" means any professional employee in the area of finance (including core and business finance, accounting, and financial reporting), corporate audit, corporate risk management, corporate tax, investor relations or treasury, and also includes the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO"), Controller, the Head of each of the major business segments of the Company, and any member of Executive Management who has similar operating or oversight responsibilities regardless of such person's designated title.

The Company's Guidelines for Business Conduct: Merrill Lynch's Code of Ethics for Directors, Officers and Employees ("Guidelines for Business Conduct") sets forth the fundamental principles and key policies and procedures that govern the conduct of all of the Company's directors, officers and employees. Financial Professionals are required to conduct their personal and professional affairs in a manner that is consistent with the ethical and professional standards set forth in the Guidelines for Business Conduct, as well as this supplemental Code of Ethics.

All Financial Professionals must:

1. Engage in and promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Take all reasonable measures to protect the confidentiality of non-public information about Merrill Lynch or any subsidiary and Merrill Lynch customers obtained or developed in connection with their activities and to prevent the unauthorized disclosure of such information unless required by applicable law or regulation or legal or regulatory process;
3. Produce full, fair, accurate, timely, and understandable disclosure, in compliance with applicable accounting standards, in reports and documents that Merrill Lynch or any subsidiary files with, or submits to, the U.S. Securities and Exchange Commission or any applicable regulatory body and in other public communications made by Merrill Lynch or any subsidiary;
4. Act in good faith, responsibly, with due care, competence, prudence and diligence, without misrepresenting material facts or allowing one's independent judgment or decisions to be subordinated;
5. Comply with governmental laws, rules and regulations, as well as rules and regulations of self-regulatory organizations applicable to Merrill Lynch, its subsidiaries, and their respective businesses; and
6. Promptly bring to the attention of the Disclosure Committee of the Company and to senior management any information he or she may have concerning (i) significant or material deficiencies or weaknesses in the design or operation of the Company's internal controls, (ii) any fraud, whether or not material, or any actual or apparent conflict of interest between personal and professional relationships, involving any member of management or other employee who has a significant role in the Company's financial reporting, disclosures or internal controls, or (iii) any other matters which could have a material adverse effect on the Company's ability to record, process, summarize and report financial data.

Financial Professionals shall facilitate the work of the Company's independent public auditors and shall not, directly or indirectly, take any action to fraudulently influence, coerce, manipulate or mislead Merrill Lynch's independent public auditors.

Each Financial Professional is accountable for his or her adherence to this Code of Ethics and the Company's policies. Any violation of this Code of Ethics may result in disciplinary action, including immediate dismissal.

Any Financial Professional who believes, in the exercise of reasonable judgment after a review of the facts, that a violation of this Code of Ethics has occurred shall promptly report such violation to the General Counsel of Corporate Law and to the Head of Corporate Audit. In the alternative, reports of violations of this Code of Ethics and auditing or accounting related concerns may be made confidentially and anonymously through the Ethics Hotline as set forth in the Guidelines for Business Conduct.

Merrill Lynch policy prohibits retaliation against an employee who reports a violation of this Code of Ethics in good faith. As provided by law, Merrill Lynch is not permitted to fire, demote, suspend, harass or discriminate against an employee in retaliation for such employee providing information to, or otherwise assisting or participating in, any investigation or proceeding by a regulatory or law enforcement agency, any member of the U.S. Congress or a Congressional committee, or by the Company, relating to what the employee reasonably believes is a violation of the securities laws, an act of fraud or a violation of any wage or discrimination laws. No Merrill Lynch director, officer, employee or representative is permitted to take any such retaliatory action.