

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

2018-01-25 02:46PM EST
Status: Scheduled

FORM
X-17A-5

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

(Please read instructions before preparing Form)

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

1) Rule 17a-5(a) ☒ 16

2) Rule 17a-5(b) ☐ 17

3) Rule 17a-11 ☐ 18

4) Special request by designated examining authority ☐ 19

5) Other ☐ 26

NAME OF BROKER-DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED ☐ 13

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

ONE BRYANT PARK ☐ 20

(No. and Street)

NEW YORK ☐ 21 NY ☐ 22 10036 ☐ 23

(City)

(State)

(Zip Code)

SEC. FILE NO.

8-07221 ☐ 14

FIRM ID NO.

7691 ☐ 15

FOR PERIOD BEGINNING (MM/DD/YY)

10/01/17 ☐ 24

AND ENDING (MM/DD/YY)

12/31/17 ☐ 25

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

Sergio J. Lupetin ☐ 30

(212)449-0049 ☐ 31

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

OFFICIAL USE

☐ 32

☐ 33

☐ 34

☐ 35

☐ 36

☐ 37

☐ 38

☐ 39

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

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT ☐ 42

EXECUTION:

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

Dated the _____ day of _____ 20 _____

Manual Signatures of:

1) _____
Principal Executive Officer or Managing Partner

2) _____
Principal Financial Officer or Partner

3) _____
Principal Operations Officer or Partner

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

FINRA

FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT

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PART II CSE

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BROKER OR DEALER

MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

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STATEMENT OF FINANCIAL CONDITION

as of (MM/DD/YY) 12/31/17 99

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Consolidated 198

Unconsolidated X 199

ASSETS

Allowable

Nonallowable

Total

1. Cash	\$	1,767,404,140	200		\$	1,767,404,140	750	
2. Cash segregated in compliance with federal and other regulations		5,686,433,738	210			5,686,433,738	760	
3. Receivable from brokers or dealers and clearing organizations:								
A. Failed to deliver:								
1. Includable in "Formula for Reserve Requirements"		522,301,147	220					
2. Other		628,246,305	230			1,150,547,452	770	
B. Securities borrowed:								
1. Includable in "Formula for Reserve Requirements"		16,360,024,285	240					
2. Other		76,105,389,389	250			92,465,413,674	780	
C. Omnibus accounts:								
1. Includable in "Formula for Reserve Requirements"		0	260					
2. Other		2,243,437,453	270			2,243,437,453	790	
D. Clearing Organizations:								
1. Includable in "Formula for Reserve Requirements"		0	280					
2. Other		13,675,607,143	290			13,675,607,143	800	
E. Other		1,012,414,497	300	\$	94,965,160	550	1,107,379,657	810
4. Receivables from customers:								
A. Securities accounts:								
1. Cash and fully secured accounts		7,020,981,465	310					
2. Partly secured accounts		0	320		17,624,469	560		
3. Unsecured Accounts					83,280,892	570		
B. Commodity accounts		372,176,544	330		171,926	580		
C. Allowance for doubtful accounts	(0)	335	(1,029,617	590	7,493,205,679	820
5. Receivables from non-customers:								
A. Cash and fully secured accounts		564,312,920	340					
B. Partly secured and unsecured accounts		0	350		0	600	564,312,920	830
6. Securities purchased under agreements to resell		66,998,777,067	360		0	605	66,998,777,067	840
7. Derivative Receivables:		587,545,193	291				587,545,193	801
8. Trade Date Receivable:		24,805,045	292				24,805,045	802
9. Securities and spot commodities owned, at market value:		68,658,497,519	849				68,658,497,519	850
Includes encumbered securities of								
..... \$		16,563,196,155	120					

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as of 12/31/17

STATEMENT OF FINANCIAL CONDITION

ASSETS (continued)

Allowable

Nonallowable

Total

10. Securities owned not readily marketable:

A. At Cost \$	0 130	\$	0 440	\$	5,281,543,996 610	\$	5,281,543,996 860
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11. Other investments not readily marketable:

A. At Cost \$	0 140
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B. At estimated fair value	0 450		62,372,033 620		62,372,033 870
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12. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:

A. Exempted

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

A. Exempted

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

A. Owned, at market

value \$	7,262,920 190
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B. Owned at cost		0 650		
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C. Contributed for use of company, at market value

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

	0 480	3,876,305,959 670	3,876,305,959 910
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16. Property, furniture, equipment, leasehold improvements and rights under lease agreements:

At cost (net of accumulated

depreciation and amortization)	0 490	225,104,348 680	225,104,348 920
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17. Other Assets:

A. Dividends and interest receivable	1,267,825,370 500	9,763,848 690	
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B. Free shipments	0 510	22,491,254 700	
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C. Loans and advances	0 520	0 710	
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D. Miscellaneous	151,524,620 530	6,931,194,436 720	
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E. Collateral accepted under SFAS 140	19,253,384,344 536		
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F. SPE Assets	0 537		27,636,183,872 930
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18. TOTAL ASSETS \$	282,901,088,184 540	\$ 16,603,788,704 740	\$ 299,504,876,888 940
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BROKER OR DEALER	as of 12/31/17
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED	

STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY

<u>Liabilities</u>	<u>Total</u>
19. Bank loans payable:	
A. Includable in "Formula for Reserve Requirements"	\$ 5,550,881 1460
B. Other	0 1470
20. Securities sold under repurchase agreements.	116,193,323,064 1480
21. Payable to brokers or dealers and clearing organizations:	
A. Failed to receive:	
1. Includable in "Formula for Reserve Requirements"	507,052,194 1490
2. Other	459,019,515 1500
B. Securities loaned:	
1. Includable in "Formula for Reserve Requirements"	3,843,948,449 1510
2. Other	31,293,726,978 1520
C. Omnibus accounts:	
1. Includable in "Formula for Reserve Requirements"	10,924,539,250 1530
2. Other	154,938 1540
D. Clearing organizations:	
1. Includable in "Formula for Reserve Requirements"	0 1550
2. Other	724,546,334 1560
E. Other	1,618,894,357 1570
22. Payable to customers:	
A. Securities accounts - including free credits of \$ 14,058,387,988 950	20,219,948,721 1580
B. Commodities accounts	14,985,148,714 1590
23. Payable to non customers:	
A. Securities accounts	0 1600
B. Commodities accounts	2,045,122,135 1610
24. Derivative Payables:	171,397,657 1561
25. Trade Date Payable:	0 1562
26. Securities sold not yet purchased at market value - including arbitrage of \$ 1,056,835,039 960	21,908,765,080 1620
27. Accounts payable and accrued liabilities and expenses:	
A. Drafts payable	787,525,443 1630
B. Accounts payable	18,706,073,404 1640
C. Income taxes payable	0 1650
D. Deferred income taxes	0 1660
E. Accrued expenses and other liabilities ..	2,222,066,206 1670
F. Other	0 1680
G. Obligation to return securities	21,906,746,071 1686
H. SPE Liabilities	0 1687

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STATEMENT OF FINANCIAL CONDITION
LIABILITIES AND OWNERSHIP EQUITY (continued)

<u>Liabilities</u>	<u>Total</u>
28. Notes and mortgages payable:	
A. Unsecured	\$ 0 1690
B. Secured	0 1700
29. Liabilities subordinated to claims of general creditors:	
A. Cash borrowings:	12,078,000,000 1710
1. from outsiders \$ 0 970	
2. Includes equity subordination(15c3-1(d)) of \$ 5,858,000,000 980	
B. Securities borrowings, at market value:	0 1720
from outsiders \$ 0 990	
C. Pursuant to secured demand note collateral agreements:	0 1730
1. from outsiders \$ 0 1000	
2. Includes equity subordination(15c3-1(d)) of \$ 0 1010	
D. Exchange memberships contributed for use of company, at market value	0 1740
E. Accounts and other borrowings not qualified for net capital purposes	0 1750
30. TOTAL LIABILITIES	\$ 280,601,549,391 1760
 <u>Ownership Equity</u>	
31. Sole proprietorship	\$ 0 1770
32. Partnership - limited partners	\$ 0 1020 0 1780
33. Corporation:	
A. Preferred stock	0 1791
B. Common stock	1,000 1792
C. Additional paid- in capital	11,025,261,009 1793
D. Retained Earnings	7,878,065,488 1794
E. Total	18,903,327,497 1795
F. Less capital stock in treasury	(0) 1796
34. TOTAL OWNERSHIP EQUITY	\$ 18,903,327,497 1800
35. TOTAL LIABILITIES AND OWNERSHIP EQUITY	\$ 299,504,876,888 1810

OMIT PENNIES

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MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED

as of 12/31/17

COMPUTATION OF NET CAPITAL

1. Total ownership equity (from Statement of Financial Condition - Item 1800)	\$	18,903,327,497	3480
2. Deduct: Ownership equity not allowable for Net Capital	(0	3490
3. Total ownership equity qualified for Net Capital		18,903,327,497	3500
4. Add:			
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital		12,078,000,000	3520
B. Other (deductions) or allowable credits (List)		0	3525
5. Total capital and allowable subordinated liabilities	\$	30,981,327,497	3530
6. Deductions and/or charges:			
A. Total non-allowable assets from			
Statement of Financial Condition (Notes B and C)	\$	16,603,788,704	3540
1. Additional charges for customers' and non-customers' security accounts		36,130,066	3550
2. Additional charges for customers' and non-customers' commodity accounts			3560
B. Aged fail-to-deliver:		33,413,157	3570
1. number of items			3450
C. Aged short security differences-less reserve of	\$		3460
number of items			3470
D. Secured demand note deficiency		0	3590
E. Commodity futures contracts and spot commodities - proprietary capital charges		0	3600
F. Other deductions and/or charges		930,653,050	3610
G. Deductions for accounts carried under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x)		0	3615
H. Total deductions and/or charges	(17,603,984,977	3620
7. Other additions and/or allowable credits (List)		0	3630
8. Tentative Net Capital	\$	13,377,342,520	3640
9. Total Market Risk Exposure	\$	977,896,502	3635
10. Total Credit Risk Exposure	\$	73,640	3679
11. Net Capital	\$	12,399,372,378	3750

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COMPUTATION OF NET CAPITAL REQUIREMENT

Part A

12. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	1,670,164,881	3870
13. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries	\$	593,326,151	3880
14. Net capital requirement (greater of line 12 or 13)	\$	1,670,164,881	3760
15. Excess net capital (line 11 less 14)	\$	10,729,207,497	3910
16. Percentage of Net Capital to Aggregate Debits (line 11 divided by line 18 page 10)	%	37.33	3851
17. Percentage of Net Capital, <u>after</u> anticipated capital withdrawals, to Aggregate Debits item 11 less Item 4880 page 19 divided by line 18 page 10)	%	37.33	3854
18. Net capital in excess of the greater of: 5% of combined aggregate debit items or 120% of minimum net capital requirement	\$	10,664,849,775	3920

OTHER RATIOS

Part B

19. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%	20.08	3860
20. Options deductions/Net Capital ratio (1000% test) total deductions exclusive of liquidating equity under Rule 15c3-1(a)(6), (a)(7) and (c)(2)(x) divided by Net Capital	%	0.00	3852