

Reconciliation of GAAP and Non-GAAP Financial Information

For Full Year 2002 - 2004

The following table sets forth a reconciliation of pre-tax earnings and net earnings to pre-tax operating earnings and net operating earnings, respectively. Pre-tax operating earnings and net operating earnings should not be considered an alternative to pre-tax earnings and net earnings (as determined in accordance with generally accepted accounting principles ("GAAP") in the United States), but rather as non-GAAP measures considered relevant by management in comparing current year results with prior year results. Management believes these measures are a valuable tool for investors to judge the quality of Merrill Lynch's financial performance as they allow investors to more readily gauge earnings and identify trends.

(\$ in millions)	GAAP						Adjustments				Non-GAAP Measures				
	Net Revenues	Non-interest Expenses	Pre-tax Earnings	Income Tax Expense	Net Earnings	Pre-tax Profit Margin	Restructuring Expense (Credit)	September 11 (Recoveries) expenses	Research and Other Settlement-Related Expenses	Income Tax Expense	Non-interest Expenses	Pre-tax Operating Earnings	Income Tax Expense	Net Operating Earnings	Pre-tax Profit Margin
2002:															
GMI	\$ 8,339	\$ 6,872	\$ 1,467			17.6%	\$ 51	\$ (90)	\$ -		\$ 6,911	\$ 1,428			17.1%
GPC	8,787	7,721	1,066			12.1%	(66)	(25)	-		7,812	975			11.1%
MLIM	1,511	1,293	218			14.4%	23	-	-		1,270	241			15.9%
Corporate	(322)	117	(439)			N/M	-	(97)	291		(77)	(245)			N/M
Total ML&Co	\$ 18,315	\$ 16,003	\$ 2,312	\$ 605	\$ 1,707	12.6%	\$ 8	\$ (212)	\$ 291	\$ 48	\$ 15,916	\$ 2,399	\$ 653	\$ 1,746	13.1%
2003:															
GMI	\$ 9,993	\$ 6,218	\$ 3,775			37.8%	\$ 18	\$ (155)	\$ -		\$ 6,355	\$ 3,638			36.4%
GPC	8,893	7,367	1,526			17.2%	(2)	(15)	-		7,384	1,509			17.0%
MLIM	1,359	1,099	260			19.1%	4	-	-		1,095	264			19.4%
Corporate	(377)	(36)	(341)			N/M	-	23	-		(59)	(318)			N/M
Total ML&Co	\$ 19,868	\$ 14,648	\$ 5,220	\$ 1,383	\$ 3,837	26.3%	\$ 20	\$ (147)	\$ -	\$ (33)	\$ 14,775	\$ 5,093	\$ 1,350	\$ 3,743	25.6%
2004:															
GMI	\$ 11,022	\$ 7,153	\$ 3,869			35.1%	\$ (1)	\$ -	\$ -		\$ 7,154	\$ 3,868			35.1%
GPC	9,831	7,958	1,873			19.1%	(10)	-	-		7,968	1,863			19.0%
MLIM	1,581	1,121	460			29.1%	(2)	-	-		1,123	458			29.0%
Corporate	(411)	(45)	(366)			N/M	-	-	-		(45)	(366)			N/M
Total ML&Co	\$ 22,023	\$ 16,187	\$ 5,836	\$ 1,400	\$ 4,436	26.5%	\$ (13)	\$ -	\$ -	\$ (2)	\$ 16,200	\$ 5,823	\$ 1,398	\$ 4,425	26.4%

Note: For further information, including Notes to Consolidated Financial Statements, please see the 2003-2004 annual reports.



Reconciliation of GAAP and Non-GAAP Financial Information

For 2004 Quarters

The following table sets forth a reconciliation of pre-tax earnings and net earnings to pre-tax operating earnings and net operating earnings, respectively. Pre-tax operating earnings and net operating earnings should not be considered an alternative to pre-tax earnings and net earnings (as determined in accordance with generally accepted accounting principles ("GAAP") in the United States), but rather as non-GAAP measures considered relevant by management in comparing current year results with prior year results. Management believes these measures are a valuable tool for investors to judge the quality of Merrill Lynch's financial performance as they allow investors to more readily gauge earnings and identify trends.

(\$ in millions)	GAAP						Adjustments				Non-GAAP Measures				
	Net Revenues	Non-interest Expenses	Pre-tax Earnings	Income Tax Expense	Net Earnings	Pre-tax Profit Margin	Restructuring Expense (Credit)	September 11 (Recoveries) expenses	Research and Other Settlement-Related Expenses	Income Tax Expense	Non-interest Expenses	Pre-tax Operating Earnings	Income Tax Expense	Net Operating Earnings	Pre-tax Profit Margin
1Q 2004:															
GMI	\$ 3,209	\$ 2,090	\$ 1,119			34.9%	\$ -	\$ -	\$ -		\$ 2,090	\$ 1,119			34.9%
GPC	2,508	2,001	507			20.2%	-	-	-		2,001	507			20.2%
MLIM	401	293	108			26.9%	(2)	-	-		295	106			26.4%
Corporate	(57)	(13)	(44)			N/M	-	-	-		(13)	(44)			N/M
Total ML&Co	\$ 6,061	\$ 4,371	\$ 1,690	\$ 439	\$ 1,251	27.9%	\$ (2)	\$ -	\$ -	\$ (1)	\$ 4,373	\$ 1,688	\$ 438	\$ 1,250	27.9%
2Q 2004:															
GMI	\$ 2,642	\$ 1,653	\$ 989			37.4%	\$ (1)	\$ -	\$ -		\$ 1,654	\$ 988			37.4%
GPC	2,390	1,955	435			18.2%	(10)	-	-		1,965	425			17.8%
MLIM	380	269	111			29.2%	-	-	-		269	111			29.2%
Corporate	(162)	(13)	(149)			N/M	-	-	-		(13)	(149)			N/M
Total ML&Co	\$ 5,250	\$ 3,864	\$ 1,386	\$ 316	\$ 1,070	26.4%	\$ (11)	\$ -	\$ -	\$ (1)	\$ 3,875	\$ 1,375	\$ 315	\$ 1,060	26.2%
3Q 2004:															
GMI	\$ 2,228	\$ 1,457	\$ 771			34.6%	\$ -	\$ -	\$ -		\$ 1,457	\$ 771			34.6%
GPC	2,317	1,905	412			17.8%	-	-	-		1,905	412			17.8%
MLIM	374	263	111			29.7%	-	-	-		263	111			29.7%
Corporate	(96)	(10)	(86)			N/M	-	-	-		(10)	(86)			N/M
Total ML&Co	\$ 4,823	\$ 3,615	\$ 1,208	\$ 286	\$ 922	25.0%	\$ -	\$ -	\$ -	\$ -	\$ 3,615	\$ 1,208	\$ 286	\$ 922	25.0%
4Q 2004:															
GMI	\$ 2,943	\$ 1,953	\$ 990			33.6%	\$ -	\$ -	\$ -		\$ 1,953	\$ 990			33.6%
GPC	2,616	2,097	519			19.8%	-	-	-		2,097	519			19.8%
MLIM	426	296	130			30.5%	-	-	-		296	130			30.5%
Corporate	(96)	(9)	(87)			N/M	-	-	-		(9)	(87)			N/M
Total ML&Co	\$ 5,889	\$ 4,337	\$ 1,552	\$ 359	\$ 1,193	26.4%	\$ -	\$ -	\$ -	\$ -	\$ 4,337	\$ 1,552	\$ 359	\$ 1,193	26.4%

Note: For further information, including Notes to Consolidated Financial Statements, please see the 2004 annual report.

