

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM X-17A-5
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Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/12 AND ENDING 12/31/12
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER - DEALER:
MERRILL LYNCH FINANCIAL MARKETS, INC.

OFFICIAL USE ONLY
200826092
FIRM ID. NO.

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

One Bryant Park

(No. and Street)

New York

(City)

New York

(State)

10036

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Curtis W Cariddi

(212) 449 - 2303

(Area Code - Telephone No.)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

PricewaterhouseCoopers LLP

(Name - if individual, state last, first, middle name)

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- Certified Public Accountant
 Public Accountant
 Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

AFFIRMATION

I, Curtis W. Cariddi, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supplemental schedule pertaining to Merrill Lynch Financial Markets, Inc. (the "Company") as of and for the period ended December 31, 2012, are true and correct. I further affirm that neither the Company nor any officer or director has any principal interest in any account classified solely as that of a customer.

Curtis W. Cariddi 2/26/13
Date

Subscribed and sworn to before me
on this 26th day of February, 2013


Notary Public

DANIEL R. SPECTOR
NOTARY PUBLIC, State of New York
No. 41-9119464
Qualified in Nassau County
Commission Expires July 31, 2014

MERRILL LYNCH FINANCIAL MARKETS, INC.

BALANCE SHEET

AS OF DECEMBER 31, 2012 (Dollars in Thousands, Except Per Share Amount)

ASSETS	
<i>Cash</i>	\$ 135,861
<i>Receivables Under Resale Agreements</i>	850,000
<i>Trading assets, at fair value</i>	
Equities	\$ 40,674
Derivative contracts	<u>27,120</u>
	67,794
<i>Receivables from affiliated companies</i>	72,305
<i>Other receivables</i>	
Interest and other	<u>229,410</u>
	<u>229,410</u>
Total Assets	\$ <u>1,355,370</u>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Liabilities	
<i>Trading liabilities, at fair value</i>	
Equities	\$ 122
Derivative contracts	<u>164,192</u>
	164,314
<i>Payables to affiliated companies</i>	236,841
<i>Other payables</i>	
Customers	32,236
Interest and other	<u>7,547</u>
	<u>39,783</u>
<i>Subordinated borrowings</i>	100,000
Stockholder's Equity	
Common stock, par value \$100; 1,200 shares authorized; 10 shares issued and outstanding	1
Paid-in capital	730,572
Retained earnings	<u>83,859</u>
Total Stockholder's Equity	<u>814,432</u>
Total Liabilities and Stockholder's Equity	\$ <u>1,355,370</u>

The accompanying notes are an integral part of this financial statement