RULE 424(b)(3)
REGISTRATION NO. 33-45777

PROSPECTUS

[LOGO]

27,587 SHARES

MERRILL LYNCH & CO., INC.

COMMON STOCK

All of the shares of Common Stock offered hereby (the "Shares"), and an additional 3,792,247 shares of Common Stock which have been registered pursuant to the registration statement of which this Prospectus is a part and which may in the future be offered pursuant to a prospectus amended to reflect such sale, are or at the time they are sold will be held by a custodian to fund distributions under certain employee stock bonus plans (the "Plans") of Merrill Lynch & Co., Inc. (the "Company"). The Shares are being sold in connection with obligations of the Company under the Plans. See "Use of Proceeds".

The Shares will be sold by means of ordinary broker's transactions or block transactions (which may involve crosses) on the New York Stock Exchange or any other exchange on which the Common Stock of the Company is listed from time to time, in the over-the-counter market or in private sales, at market prices prevailing at the time of such sales or at negotiated prices. The Shares will be sold through Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"), acting as exclusive sales agent for the Company. With respect to sales on an exchange, in the over-the-counter market or in private transactions, the Company will pay MLPF&S a negotiated commission not to exceed the usual and customary brokerage commissions for such transactions. The Company has agreed to indemnify MLPF&S against certain liabilities, including liabilities under the Securities Act of 1933 or contribute to payments MLPF&S may be required to make in respect thereof.

MLPF&S may be deemed to be an "underwriter" within the meaning of Section 2(11) of the Securities Act of 1933. In addition, any profits realized by MLPF&S may be deemed to be underwriting commissions. The distribution of the Shares by MLPF&S will conform to the requirements set forth in the applicable sections of Schedule E to the By-Laws of the National Association of Securities Dealers, Inc.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

MERRILL LYNCH & CO.

THE DATE OF THIS PROSPECTUS IS AUGUST 2, 1995

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy and information statements and other information filed by the Company can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the following Regional Offices of the Commission: Midwest Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and Northeast Regional Office, Seven World Trade Center, New York, New York 10048. Copies of such material can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. Reports, proxy and information statements and other information concerning the Company may also be inspected at the offices of the New York Stock Exchange, the American Stock Exchange, the Chicago Stock Exchange and the Pacific Stock Exchange.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Company's Annual Report on Form 10-K for the year ended December 30, 1994, Quarterly Report on Form 10-Q for the period ended March 31, 1995, and Current Reports on Form 8-K dated January 12, 1995, January 23, 1995, February 8, 1995, February 9, 1995, March 3, 1995, March 9, 1995, April 18, 1995, May 2, 1995, May 23, 1995, July 18, 1995, July 21, 1995, August 1, 1995, and August 2, 1995 filed pursuant to Section 13 of the Exchange Act, are hereby incorporated by reference into this Prospectus.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the termination of the offering of the Shares shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE COMPANY WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON WRITTEN OR ORAL REQUEST OF SUCH PERSON, A COPY (WITHOUT EXHIBITS OTHER THAN EXHIBITS SPECIFICALLY INCORPORATED BY REFERENCE) OF ANY OR ALL DOCUMENTS INCORPORATED BY REFERENCE INTO THIS PROSPECTUS. REQUESTS FOR SUCH COPIES SHOULD BE DIRECTED TO MR. GREGORY T. RUSSO, SECRETARY, MERRILL LYNCH & CO., INC., 100 CHURCH STREET, 12TH FLOOR, NEW YORK, NEW YORK 10080-6512; TELEPHONE NUMBER (212) 602-8435.

MERRILL LYNCH & CO., INC.

Merrill Lynch & Co., Inc. is a holding company that, through its subsidiaries and affiliates, provides investment, financing, insurance, and related services on a global basis. Its principal subsidiary, MLPF&S, one of the largest securities firms in the world, is a leading broker in securities, options contracts, and commodity and financial futures contracts; a leading dealer in options and in corporate and municipal securities; a leading investment banking firm that provides advice to, and raises capital for, its clients; and an underwriter of selected insurance products. Other subsidiaries provide financial services on a global basis similar to those of MLPF&S and are engaged in such other activities as international banking, lending, and providing other investment and financing services. Merrill Lynch International Incorporated, through subsidiaries and affiliates, provides investment, financing, and related services outside the United States and Canada. Merrill Lynch Government Securities Inc. is a primary dealer in obligations issued or guaranteed by the U.S. Government and by Federal agencies or instrumentalities. Merrill Lynch Capital Services, Inc., Merrill Lynch Derivative Products, Inc., and Merrill Lynch Capital Markets plc are the Company's primary derivative product dealers and enter into interest rate and currency swaps and other derivative transactions as intermediaries and as principals. Merrill Lynch Asset Management, L.P., with its related affiliates, is one of the largest mutual fund managers in the world and provides investment advisory services. The Company's insurance underwriting operations consist of the underwriting of life insurance and annuity products. Banking, trust, and mortgage lending operations conducted through subsidiaries of the Company include issuing certificates of deposit, offering money market deposit accounts, making secured loans, and providing foreign exchange facilities and other related services.

The principal executive office of the Company is located at World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281; its telephone number is (212) 449-1000.

USE OF PROCEEDS

The Shares that are offered pursuant to this Prospectus are held by Chemical Bank, as custodian for distribution under the Plans. The Plans provide that certain key employees of the Company or its subsidiaries may from time to time, and, in some cases, upon the performance of specified objectives, receive compensation in the form of Common Stock and/or cash payments. The custodial agreements provide that the custodian will make such distributions as directed by the Company. Proceeds from the sale of the Shares that may be offered hereby will be used by the custodian either to satisfy the Company's obligations to pay cash under the Plans or to reimburse the Company for cash payments made by the Company on behalf of the custodian pursuant to the Plans. Any proceeds from the sale of the Shares that are not paid to employees will be returned to the Company as provided in the custodial agreements, and used for general corporate purposes.

PRICE RANGE OF COMMON STOCK AND DIVIDENDS

The Common Stock of the Company is listed on the New York Stock Exchange and certain other United States and foreign stock exchanges. The following table sets forth for the periods indicated the dividends paid and the high and low sales prices per share of Common Stock on the New York Stock Exchange--Composite Tape as reported by the National Quotation Bureau, Inc. Prices have been restated for the two for one common stock split, effected in the form of a 100 percent stock dividend, in the fourth quarter of 1993.

<TABLE>
<CAPTION>

	HIGH	LOW	DIVIDENDS PAID
<S>	<C>	<C>	<C>
1990 First Quarter............................	13 5/8	10 3/8	.125
Second Quarter	12 13/16	10 1/4	.125
Third Quarter...............................	13	8 3/4	.125
Fourth Quarter..............................	11 5/16	8 1/16	.125
1991 First Quarter............................	18	9 9/16	.125
Second Quarter..............................	21 1/16	17 5/16	.125
Third Quarter...............................	25 1/8	19 3/16	.125
Fourth Quarter..............................	30 7/16	22 1/16	.125
1992 First Quarter............................	33 3/8	26 3/4	.125
Second Quarter..............................	27 15/16	22 3/16	.15
Third Quarter...............................	26 7/8	24	.15
Fourth Quarter..............................	31 3/8	23 1/8	.15
1993 First Quarter	37 1/16	28	.15
Second Quarter..............................	40 15/16	33 5/8	.175
Third Quarter...............................	50 7/8	39 9/16	.175
Fourth Quarter..............................	51 3/16	41 3/4	.20
1994 First Quarter............................	45 5/8	36 1/2	.20
Second Quarter..............................	40 1/2	34 1/4	.23
Third Quarter...............................	40 7/8	34 1/4	.23
Fourth Quarter..............................	41 1/8	32 1/4	.23
1995 First Quarter............................	45	34 5/8	.23
Second Quarter..............................	53 1/4	42 5/8	.26
Third Quarter (through August 1, 1995).......	58 1/4	51 7/8	

</TABLE>

On August 1, 1995, the last sale price per share of the Common Stock on the New York Stock Exchange--Composite Tape was $55 1/2.

The Company and its predecessor have paid regular cash dividends since 1960. Future dividends will depend on the earnings and financial condition of the Company.

SUMMARY FINANCIAL INFORMATION

The following summary of consolidated financial information was derived from, and is qualified in its entirety by reference to, the financial statements, condensed financial statements, and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 30, 1994, Quarterly Report on Form 10-Q for the period ended March 31, 1995 (the "Quarterly Report") and Current Reports on Form 8-K dated July 18, 1995 and August 2, 1995 (the "Current Reports"). The Current Reports, which include preliminary unaudited financial information for the period ended June 30, 1995, will be superseded in their entirety by the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1995. See "Incorporation of Certain Documents by Reference." The condensed consolidated financial statements contained in the Quarterly Report and the financial information contained in the Current Reports are unaudited; however, in the opinion of management of the Company, all adjustments (consisting only of normal recurring accruals) necessary for a fair statement of the results of operations have been included. The year-end results include 52 weeks for 1990, 1991, 1992 and 1994 and 53 weeks for 1993.

The Company conducts its business in highly volatile markets. Consequently, the Company's results can be affected by many factors, including general market conditions, the liquidity of secondary markets, the level and volatility of interest rates and currency values, the valuation of securities positions, competitive conditions, and the size, number, and timing of transactions. In periods of unfavorable market activity, profitability can be adversely affected because certain expenses remain relatively fixed. As a result, net earnings and revenues can vary significantly from period to period. Thus, interim results may not necessarily be representative of the full year results of operations.

<TABLE>
<CAPTION>

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	YEAR ENDED LAST FRIDAY IN DECEMBER					SIX MONTHS ENDED	
	1990	1991	1992	1993	1994	JULY 1, 1994	JUNE 30, 1995

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<S> <C> <C> <C> <C> <C> <C> <C>

INCOME STATEMENT INFORMATION (In thousands, except ratios)							
Revenues...............	$11,147,229	$12,352,812	$ 13,412,668	$ 16,588,177	$ 18,233,091	$ 9,219,111	$ 10,788,871
Net revenues(1).........	$ 5,783,329	$ 7,246,468	$ 8,577,401	$ 10,558,230	$ 9,624,521	$ 5,229,547	$ 4,969,677
Earnings before income taxes and cumulative effect of changes in accounting principles(2)..........	$ 282,328	$ 1,017,418	$ 1,621,389	$ 2,424,808	$ 1,729,604	$ 1,084,870	$ 843,092
Cumulative effect of changes in accounting principles (net of applicable income taxes)(2).............	--	--	$ (58,580)	$ (35,420)	--	--	--
Net earnings(2).........	$ 191,856	$ 696,117	$ 893,825	$ 1,358,939	$ 1,016,761	$ 623,568	$ 510,071
Ratio of earnings to fixed charges(3).......	1.1	1.2	1.3	1.4	1.2	1.3	1.1
BALANCE SHEET INFORMATION(4)(5) (In thousands)							
Total assets...........	$68,129,527	$86,259,343	$107,024,173	$152,910,362	$163,749,327	$174,006,536	$174,852,533
Long-term borrowings....	$ 6,341,559	$ 7,964,424	$ 10,871,100	$ 13,468,900	$ 14,863,383	$ 15,289,293	$ 15,703,594
Stockholders' equity....	$ 3,225,430	$ 3,818,088	$ 4,569,104	$ 5,485,913	$ 5,817,545	$ 5,628,394	$ 5,883,238

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(1) Net revenues are revenues net of interest expense.

(2) Net earnings for 1992 were reduced by $58,580,000 to reflect the adoption of Statement of Financial Accounting Standards ("SFAS") No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions", and SFAS No. 109, "Accounting for Income Taxes". Net earnings for 1993 were reduced by $35,420,000 to reflect the adoption of SFAS No. 112, "Employers' Accounting for Postemployment Benefits".

(3) For the purpose of calculating the ratio of earnings to fixed charges, "earnings" consists of earnings from continuing operations before income taxes and fixed charges. "Fixed charges" consists of interest costs, amortization of debt expense, preferred stock dividend requirements of majority-owned subsidiaries, and that portion of rentals estimated to be representative of the interest factor.

(4) In 1994, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts", and FASB Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements", which increased assets and liabilities at December 30, 1994 by approximately $8,500,000,000.

(5) To finance its diverse activities, the Company and certain of its subsidiaries borrow substantial amounts of short-term funds on a regular basis. Although the amount of short-term borrowings significantly varies with the level of general business activity, on June 30, 1995, $753,051,000 of bank loans and $14,975,863,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At June 30, 1995, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to $3,614,152,000 and $52,491,110,000, respectively. From July 1, 1995 to July 28, 1995, long-term borrowings, net of new issuances and resales, decreased by approximately $296,194,000.

FISCAL YEAR 1994

Financial markets, strong from 1991 through the first six weeks of 1994, changed significantly after inflationary fears prompted the Federal Reserve to increase short-term interest rates in February 1994. As the U.S. economy continued to expand, the Federal Reserve acted to further curb inflation and to moderate growth by increasing short-term interest rates five additional times during the year. The combination of rising interest rates, a falling U.S. dollar, unsettled global stock, bond, and currency markets, reduced foreign investment in U.S. financial markets, and overall investor caution contributed to lower earnings for most U.S. securities firms. These conditions affected the Company's 1994 fourth quarter and full year results. Net earnings for the 1994 fourth quarter were $161.6 million, down 30% from the 1994 third quarter and down 53% from the 1993 fourth quarter.

Net earnings for 1994 were $1,016.8 million, down 25% from record 1993 earnings of $1,358.9 million. Net earnings for 1993 included a $35.4 million cumulative effect charge (net of $25.1 million of applicable income tax benefits) related to the adoption of Statement of Financial Accounting Standards No. 112, "Employers' Accounting for Postemployment Benefits". Earnings for 1993 before the cumulative effect of the change in accounting principle were $1,394.4 million. Earnings per common share in 1994 were $4.75 primary and $4.74 fully diluted, compared with $5.98 primary and $5.95 fully diluted ($6.14

primary and $6.11 fully diluted before the accounting change) in 1993. As previously reported, 1993 results included a non-recurring pretax lease charge totaling $103.0 million ($59.7 million after income taxes) related to the Company's decision not to occupy certain space at the World Financial Center Headquarters ("Headquarters") facility. This space was sublet in 1994.

Total revenues were $18,233 million, up 10% from 1993. Net revenues (revenues after interest expense) totaled $9,625 million in 1994, down 9% from 1993.

Commission revenues were $2,871 million, virtually unchanged from $2,894 million in 1993. Higher commission revenues from mutual funds and commodity transactions were offset by lower revenues from money market instruments, particularly medium-term notes, and listed securities transactions. Sales of mutual funds, particularly front-end funds, declined as investors were less active due to uncertain markets and rising interest rates. For the first time since 1974, both stock and bond funds fell in value industrywide, on average, in the same year. Distribution fees from deferred charge funds benefited from strong mutual fund sales in prior periods, while redemption fees increased as investors repositioned their portfolios primarily from fixed-income funds to stock and money market funds. Commissions on listed securities transactions decreased due to a decline in the relative amount of business by retail clients versus institutional clients. Other commission revenues declined principally as a result of lower commissions from money market instruments, partially offset by higher revenues from commodity transactions.

Interest and dividend revenues increased 35% to $9,578 million from $7,099 million in 1993. Interest expense, which includes dividend expense, rose 43% to $8,609 million from $6,030 million in 1993. Net interest and dividend profit decreased 9% to $969 million as a significant increase in short-term interest rates, year over year, led to a substantial flattening of the yield curve. The change in the yield curve, the relationship between interest rates and maturities, resulted from short-term interest rates rising faster than long-term interest rates in 1994. As a result, interest spreads declined, while financing and hedging costs increased from 1993.

Principal transactions revenues fell 20% to $2,335 million from the 1993 record $2,920 million due to rising interest rates, a declining U.S. dollar, and volatile world financial markets. Revenues from taxable fixed-income securities, equities and equity derivatives, and foreign exchange and commodities decreased, while interest rate and currency swaps, and municipal securities revenues increased. Taxable fixed-income revenues declined 52% to $462 million as higher interest rates, wider credit spreads, and uncertainty in emerging markets led to reduced demand and lower inventory values. Equities and equity derivatives trading revenues decreased 28% to $627 million, reflecting lower trading results in virtually all categories, including a loss in

convertible securities. Foreign exchange and commodities revenues, in the aggregate, declined 31% to $109 million. Weakness in the U.S. dollar versus other major currencies depressed foreign exchange trading, while commodities trading revenues benefited from increased volume. Interest rate and currency swaps revenues advanced 24% to $749 million reflecting higher revenues from U.S. dollar-denominated swap trading activities, particularly those related to structured financing transactions. Municipal securities trading revenues increased 20% to $388 million due to strong retail investor demand for tax-exempt investments.

Investment banking revenues were $1,239 million, down 32% from $1,831 million in 1993 due primarily to the effects of rising interest rates and reduced demand. Underwriting revenues declined in almost all categories, with significant decreases in equities, corporate bonds and preferred stock, and convertible securities. Strategic services revenues, which include fees for debt restructuring, merger and acquisition activity, and other advisory services, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio services fees rose 12% from $1,558 million in 1993 to a record $1,739 million. Asset management fees advanced due primarily to an increase in stock funds under management. Portfolio service fees advanced due to the continued growth in the number of Asset Power(Registered Trademark) accounts, a product with fees and transaction limits based on asset levels, and increased revenues from the ML Consults(Registered Trademark) product.

Other revenues were $471 million, up 65% from $285 million in 1993. The increase in other revenues was attributable to net realized investment gains related to merchant banking activities of $81 million, compared with unrealized losses of $133 million in 1993.

Non-interest expenses were $7,895 million, down 3% from $8,133 million in the year-ago period. Excluding the 1993 non-recurring lease charge totaling $103.0 million, non-interest expenses declined 2%.

Compensation and benefits expense, which represented approximately 63% of total non-interest expenses, declined 6% due principally to lower incentive and production-related compensation. Compensation and benefits expense, as a percentage of net revenues, was 51.5% in 1994, compared with 49.8% in 1993.

Occupancy costs declined 24% (7% excluding the 1993 non-recurring lease charge) benefiting from continued relocation of support staff to lower-cost facilities and reduced space requirements at the Headquarters facility. Other facilities costs, which include communications and equipment rental, and depreciation and amortization, were up 9% due to increased use of market data, news, and statistical services and higher depreciation expense from the acquisition of technology-related equipment.

Advertising and market development expenses were down 1% with discretionary costs decreasing as business conditions became less favorable. Lower sales promotion and a reduction in advertising campaigns were partially offset by increased travel related to international business activities. Professional fees increased 26% due primarily to the use of system and management consultants to upgrade technology and processing capabilities in trading, credit, and customer services, as well as higher legal fees. Brokerage, clearing, and exchange fees increased 20% reflecting higher international equity volume and expanded risk management activities related to volatile global market conditions. Other expenses increased 1% from 1993, due to an increase in office supplies and postage costs.

Income tax expense totaled $713 million in 1994, down 31% from $1,030 million in 1993. The effective tax rate was 41.2% in 1994 versus 42.5% in 1993 as a result of lower state income taxes.

The Company's Annual Report on Form 10-K for the year ended December 30, 1994 describes an action commenced against the Company by Orange County, California (the "County") and the Orange County Investment Pools (the "Pools"). See "Incorporation of Certain Documents by Reference." The County and

the Pools seek relief in excess of $2 billion in connection with various securities transactions between the County and/or the Pools and the Company and its subsidiaries. Other actions have also been commenced against the Company and its subsidiaries arising out of the Company's dealings with the County Treasurer and the Pools.

The Company will vigorously contest these actions and believes it has meritorious defenses. Although the ultimate outcome of these actions cannot be ascertained at this time and the results of legal proceedings cannot be predicted with certainty, it is the opinion of management that the resolution of these actions will not have a material adverse effect on the consolidated financial condition or results of operations of the Company for the year ended December 30, 1994.

The Company has also received inquiries from various governmental entities examining the underlying events and is cooperating with these inquiries.

CERTAIN BALANCE SHEET INFORMATION AS OF DECEMBER 30, 1994

On January 1, 1994, the Company adopted Financial Accounting Standards Board Interpretation No. 39 ("Interpretation No. 39"), "Offsetting of Amounts Related to Certain Contracts". Interpretation No. 39 affects the financial statement presentation of balances related to swap, forward, and other similar exchange or conditional type contracts, and unconditional type contracts. To offset unconditional contracts, such as resale and repurchase agreements, net cash settlement of the related receivable and payable balances is also required by Interpretation No. 39, as modified by Interpretation No. 41, "Offsetting of Amounts Related to Certain Repurchase and Reverse Repurchase Agreements". Prior to the adoption of these Interpretations, the Company followed industry practice in reporting balances related to certain types of contracts on a net basis. Unrealized gains and losses for swap, forward, and other similar contracts were reported net on the balance sheet by contract type, while certain receivables and payables related to resale and repurchase agreements were reported net by counterparty. The effect of these Interpretations increased assets and liabilities at December 30, 1994 by approximately $8.5 billion.

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its market-making, investment banking, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers and the liquidity of the market for such securities, in addition to the usual risks associated with investing in, extending credit, underwriting, and trading in investment grade instruments.

At December 30, 1994, the fair value of long and short non-investment grade trading inventories amounted to $3,309 million and $456 million, respectively, and in the aggregate (i.e., the sum of long and short trading inventories) represented 4.3% of aggregate consolidated trading inventories.

At December 30, 1994, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated $257 million (excluding unutilized revolving lines of credit and other lending commitments of $50 million), consisting primarily of senior term and subordinated financings to 35 medium-sized corporations. At December 30, 1994, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balance less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated $289 million at December 30, 1994, representing investments in 80 enterprises. Equity investments in privately-held corporations for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At December 30, 1994, the Company held interests in partnerships, totaling $93 million (recorded on the cost basis), that invest

in highly leveraged transactions and non-investment grade securities. Prior to July 1, 1994, the Company had a co-investment arrangement to enter into direct equity investments. At December 30, 1994, the Company also committed to invest an additional $80 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. As a percentage of total insurance investments, non-investment grade securities were 5.5% at December 30, 1994. Non-investment grade securities of insurance subsidiaries were classified as available-for-sale and were carried at fair value at December 30, 1994.

At December 30, 1994, the largest non-investment grade concentration consisted of various issues of a South American sovereign totaling $235 million, of which $60 million represented on-balance-sheet hedges for off-balance-sheet instruments. No one industry sector accounted for more than 21% of total non-investment grade positions. At December 30, 1994, the Company held an aggregate carrying value of $292 million in debt and equity securities of issuers in various stages of bankruptcy proceedings. Approximately 71% of this amount resulted from the Company's market-making activities in such securities.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 1995

Financial markets, which were particularly weak during the last half of 1994, improved during the first six months of 1995 as a result of a steadying U.S. economy, declining interest rates, and heightened investor activity. Net earnings were $227 million in the first quarter of 1995 and $283 million in the second quarter, or $510 million for the 1995 first-half. Six-month 1995 net earnings, however, were down 18% from the $624 million reported in the comparable 1994 period, which included record first quarter net earnings of $372 million. Total revenues for the first six months of 1995 were $10,789 million, up 17% over the 1994 first-half. Net revenues in the first six months of 1995 were $4,970 million, down 5% from the comparable 1994 period due primarily to lower investment banking and commission revenues. Non-interest expenses were $4,127 million, virtually unchanged from the comparable 1994 period.

Commission revenues were $1,450 million for the first half of 1995, down 7% from the 1994 first-half, primarily as a result of lower mutual fund revenues. Mutual fund commissions were affected by lower volumes after the 1994 first quarter as most stock and bond mutual funds declined in value. Sales of mutual funds, however, increased during the 1995 second quarter as investors were more active due to strong performances in both stock and bond markets.

Interest and dividend revenues were $6,325 million for the first half of 1995, up 40% from the comparable 1994 period. Interest expense, which includes dividend expense, increased 46% from the first half of 1994 to $5,819 million. Net interest profit declined 4% to $506 million primarily due to the continued flattening of the yield curve (the relationship between interest rates and maturities) since early 1994.

Principal transactions revenues increased 5% from the first half of 1994 to $1,289 million. Taxable fixed-income trading revenues increased due, in part, to higher revenues from corporate bonds and preferred stock, high-yield bonds, and non-U.S. government and agencies securities. Trading results in mortgage-backed products were negatively affected by reduced market liquidity after the 1994 first quarter and fluctuations in interest rates, leading to a moderate loss. Net trading results from mortgage-backed products were positive, however, when combined with related net interest income. Trading revenues in U.S. Government and agencies securities were down from record 1994 levels due to the negative effect of changing interest rates on net trading positions. Revenues from interest rate and currency swaps increased due to slightly higher volumes in non-U.S. dollar and U.S. dollar denominated transactions. Municipal securities revenues were down from record 1994 levels as declining interest rates and discussions on tax law changes decreased investor demand. Equities and equity derivatives trading revenues were virtually unchanged, while foreign exchange and commodities trading revenues decreased due primarily to lower commodity trading volume.

Investment banking revenues were $584 million, down 24% from the first half of 1994, as domestic and global industrywide underwriting volume declined 24% and 22%, respectively, compared to volumes in the 1994 first-half. Although down for the 1995 six-month period, second quarter 1995 industrywide domestic underwriting volume increased 30% from the 1995 first quarter and 16% from the 1994 second quarter as a result of declining interest rates and stronger stock and bond markets. Lower underwriting revenues were reported in equities and high-yield securities, partially offset by higher revenues from corporate debt and preferred stock issuances, particularly in the 1995 second quarter. Strategic services revenues, which include merger and acquisition fees and advisory fees, benefited from increased merger and acquisition advisory assignments in various industries.

Asset management and portfolio service fees rose 4% from the 1994 first-half to $913 million, principally as a result of increased fees earned from mutual fund investor services and asset management activities. Other revenues decreased 17% from the 1994 first-half to $228 million, due primarily to realized investment gains in the 1994 period, compared with break-even results on sales of investments in the 1995 six-month period.

Non-interest expenses were $4,127 million, virtually unchanged from the 1994 first-half. Compensation and benefits expense, which represented approximately 62% of non-interest expenses, decreased 3% from the 1994 first-half due primarily to lower levels of variable incentive and production-related compensation. Compensation and benefits expense as a percentage of net revenues was 51.9% in the first half of 1995, compared with 50.6% in the year-ago period.

Occupancy costs were virtually unchanged from the 1994 first-half. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 10% primarily due to increased usage of market information services, as well as higher depreciation expense from the purchase of technology-related assets over the past year.

Advertising and market development expenses decreased 8% from the 1994 first-half primarily due to lower travel and recognition program costs. Professional fees increased 13% from the year ago period as higher legal fees were partially offset by lower systems consulting fees. Brokerage, clearing, and exchange fees increased 2% from the 1994 first-half as a result of higher volumes, particularly in international markets. Other expenses increased 1% from the 1994 first-half and included a $26 million charge for the write-off of assets related to a technology contract in the 1995 first quarter.

Income tax expense totaled $333 million for the first half of 1995. The effective tax rate for the first six months of 1995 was 39.5%, compared with 42.5% in the year-ago period. The decrease in the effective tax rate was attributable to lower state income taxes, higher tax-exempt interest, increased deductions for dividends received, and expanded international business activities.

On July 21, 1995, the Company and Smith New Court PLC ("Smith New Court"), a U.K.-based global securities firm, announced the terms of a cash offer under which the Company expects to acquire Smith New Court. In the proposed transaction, a wholly-owned subsidiary of the Company has offered to acquire all outstanding capital shares of Smith New Court for cash, with the aggregate offer valued at approximately $842 million. The transaction is conditioned on, among other things, the receipt of all required regulatory approvals and is expected to be completed late in the third quarter or early in the fourth quarter of 1995. The Company filed a Current Report on Form 8-K dated July 21, 1995 relating to the Smith New Court offer. See "Incorporation of Certain Documents by Reference" in this Prospectus.

CERTAIN BALANCE SHEET INFORMATION AS OF JUNE 30, 1995

The Company believes that its equity base is adequate relative to the level and composition of its assets and the mix of its business.

In the normal course of business, the Company underwrites, trades, and holds non-investment grade securities in connection with its investment banking, market-making, and derivative structuring activities. These activities are subject to risks related to the creditworthiness of the issuers of, and the liquidity of the market for, such securities, in addition to the usual risks associated with investing in, financing, underwriting, and trading in investment grade instruments.

At June 30, 1995, the fair value of long and short non-investment grade trading inventories amounted to $4,036 million and $455 million, respectively, and in the aggregate (i.e. the sum of long and short trading inventories), represented 4.8% of aggregate consolidated trading inventories.

At June 30, 1995, the carrying value of extensions of credit provided to corporations entering into leveraged transactions aggregated $246 million (excluding unutilized revolving lines of credit and other lending commitments of $96 million), consisting primarily of senior term and subordinated financings to 37 medium-sized corporations. At June 30, 1995, the Company had no bridge loans outstanding. Loans to highly leveraged corporations are carried at unpaid principal balances less a reserve for estimated losses. The allowance for loan losses is estimated based on a review of each loan, and consideration of economic, market, and credit conditions. Direct equity investments made in conjunction with the Company's investment and merchant banking activities aggregated $238 million at June 30, 1995, representing investments in 72 enterprises. Equity investments in privately-held companies for which sale is restricted by government or contractual requirements are carried at the lower of cost or estimated net realizable value. At June 30, 1995, the Company held interests in partnerships, totaling $102 million (recorded on the cost basis), that invest in highly leveraged transactions and non-investment grade securities. At June 30, 1995, the Company also committed to invest an additional $87 million in partnerships that invest in leveraged transactions.

The Company's insurance subsidiaries hold non-investment grade securities. As a percentage of total insurance investments, non-investment grade securities were 4.8% at June 30, 1995. Non-investment grade securities of insurance subsidiaries are classified as available-for-sale and are carried at fair value.

At June 30, 1995, the largest non-investment grade concentration consisted of government and corporate obligations of a Latin American sovereign totaling $267 million, of which $47 million represented on-balance-sheet hedges for off-balance-sheet financial instruments. No one industry sector accounted for more than 19% of total non-investment grade positions. At June 30, 1995, the Company held an aggregate carrying value of $344 million in debt and equity securities of issuers in various stages of bankruptcy proceedings or in default, of which 88% of this amount resulted from the Company's market-making activities in such securities.

DESCRIPTION OF COMMON STOCK

The authorized capital stock of the Company consists of 500,000,000 shares of Common Stock, par value $1.33 1/3 per share, and 25,000,000 shares of Preferred Stock, par value $1.00 per share, issuable in series ("Preferred Stock"). The holders of shares of Common Stock are entitled to one vote for each share held and each share of Common Stock is entitled to participate equally in dividends out of funds legally available therefor, as and when declared by the Board of Directors, and in the distribution of assets in the event of liquidation. The shares of Common Stock have no preemptive or conversion rights, redemption provisions or sinking fund provisions. The outstanding shares of Common Stock are, and the shares offered hereby will be, duly and validly issued, fully paid and nonassessable. The Company's Stockholder Rights Plan provides for the distribution of preferred purchase rights ("Rights") to holders of Common Stock upon an announcement of an acquisition of a specified percentage of the acquisition of a specified percentage of the outstanding shares of Common Stock. The Rights entitle the holder to purchase fractions of a share of Series A Junior Preferred Stock, par value $1.00.

The Board of Directors of the Company has the authority, without approval of the stockholders, to issue shares of Preferred Stock from time to time in one or more series and to fix the number of shares and the rights, preferences, privileges, qualifications, restrictions and limitations of each series. The Preferred Stock ranks prior to the Common Stock and any other stock of the Company that is expressly made junior to the Preferred Stock as to the payment of dividends and distribution of assets upon dissolution, liquidation or winding up of the Company. As of June 30, 1995, there were 3,000 shares of Preferred Stock issued as Remarketed Preferred(Service Mark) ("RP(Registered Trademark)") Stock, Series C (the "Remarketed Preferred Stock") of which 1,938 shares were outstanding, and 42,500 shares of Preferred Stock issued as 9% Cumulative Preferred Stock, Series A represented by 17,000,000 Depositary Shares. As of June 30, 1995, MLPF&S held approximately 98,000 Depositary Shares in connection with its market-making transactions in the Depositary Shares. The 9% Preferred Stock and Remarketed Preferred Stock have dividend and liquidation preference over the Common Stock and over the Series A Junior Preferred Stock issuable pursuant to the Rights Agreement.

LEGAL OPINION

The validity of shares of Common Stock offered hereby will be passed upon by Brown & Wood, New York, N.Y.

EXPERTS

The consolidated financial statements and related financial statement schedules of the Company and its subsidiaries included or incorporated by reference in the Company's 1994 Annual Report on Form 10-K and incorporated by reference in this Prospectus, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their reports incorporated by reference herein. The information under the caption "Summary Financial Information" for each of the five years in the period ended December 30, 1994 included in this Prospectus and the Selected Financial Data under the captions "Operating Results", "Financial Position" and "Common Share Data" for each of the five years in the period ended December 30, 1994 included in the 1994 Annual Report to Stockholders of the Company and incorporated by reference herein, has been derived from consolidated financial statements audited by Deloitte & Touche LLP, as set forth in their reports incorporated by reference herein. Such consolidated financial statements and related financial statement schedules, such Summary Financial Information and such Selected Financial Data appearing or incorporated by reference in this Prospectus and the Registration Statement of which this Prospectus is a part, have been included or incorporated herein by reference in reliance upon such reports of Deloitte & Touche LLP given upon their authority as experts in accounting and auditing.

With respect to unaudited interim financial information for the periods included in any of the Quarterly Reports on Form 10-Q which may be incorporated herein by reference, Deloitte & Touche LLP have applied limited procedures in accordance with professional standards for a review of such information. However, as stated in their report included in any such Quarterly Report on Form 10-Q and incorporated by reference herein, they did not audit and they do not express an opinion on such interim financial information. Accordingly, the degree of reliance on their reports on such information should be restricted in light of the limited nature of the review procedures applied. Deloitte & Touche LLP are not subject to the liability provisions of Section 11 of the Act for any such report on unaudited interim financial information because any such report is not a "report" or a "part" of the registration statement prepared or certified by an accountant within the meaning of Sections 7 and 11 of the Act.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS, AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR BY THE AGENT. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL UNDER ANY CIRCUMSTANCE CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANYONE TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

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[LOGO]

MERRILL LYNCH & CO., INC.

27,587 SHARES

COMMON STOCK

PROSPECTUS

MERRILL LYNCH & CO.

AUGUST 2, 1995

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