

PRELIMINARY AND SUBJECT TO COMPLETION AND AMENDMENT
 ISSUE DATE: APRIL 21, 1995

PROSPECTUS SUPPLEMENT
 (TO PROSPECTUS DATED APRIL 21, 1995)

LOGO
 MERRILL LYNCH & CO., INC.
 1,500,000
 GREATER OF U.S. DOLLAR/DEUTSCHE MARK--U.S. DOLLAR/JAPANESE YEN
 PUT CURRENCY WARRANTS, EXPIRING MAY 15, 1997

Each Greater of U.S. Dollar/Deutsche Mark--U.S. Dollar/Japanese Yen Put Currency Warrant ("Warrant") will entitle the beneficial owner thereof to receive from Merrill Lynch & Co., Inc. (the "Company") the cash value, if positive, (the "Cash Settlement Value") on the Expiration Date (as defined below), or on such earlier date as described herein, in U.S. dollars of the greater of (i) the right to sell Deutsche Mark ("DEM") on the Exercise Date at a price of U.S. \$50, which represents an exchange rate of DEM per U.S. \$1.00, and (ii) the right to sell Japanese Yen ("JPY") on the Exercise Date at a price of U.S. \$50, which represents an exchange rate of JPY per U.S. \$1.00. The Warrants will be automatically exercised on the earlier of the fifth New York Business Day immediately preceding May 15, 1997 (the "Expiration Date") or the New York Business Day immediately preceding the date of occurrence of certain events in bankruptcy, insolvency or reorganization involving the Company or the date of the Warrants' expiration upon delisting from, or permanent suspension from trading on, the American Stock Exchange unless the Warrants are simultaneously accepted for trading pursuant to the rules of another national securities exchange (in either case, the "Exercise Date"). The Warrants are not exercisable at the option of the Holder. See "Description of the Warrants".

THE WARRANTS INVOLVE A HIGH DEGREE OF RISK, INCLUDING FOREIGN EXCHANGE RISKS AND THE RISK OF EXPIRING WORTHLESS UNLESS THE DEUTSCHE MARK OR THE JAPANESE YEN SUFFICIENTLY DEPRECIATES AGAINST THE U.S. DOLLAR. THE WARRANTS ARE NOT EXERCISABLE AT THE OPTION OF THE HOLDER. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS, AND ARE ADVISED TO CAREFULLY CONSIDER THE INFORMATION UNDER "RISK FACTORS RELATING TO THE WARRANTS", "DESCRIPTION OF THE WARRANTS", "DESCRIPTION OF THE WARRANTS--AUTOMATIC EXERCISE PRIOR TO THE EXPIRATION DATE", "EXCHANGE RATES AND CASH SETTLEMENT VALUES" AND "CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS CONCERNING THE WARRANTS".

Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange under the symbol "DMY.WS", subject to official notice of issuance.

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 SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

<TABLE>
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	PRICE TO PUBLIC(1)	UNDERWRITING DISCOUNT(1)	PROCEEDS TO THE COMPANY(2)
Per Warrant.....	\$	\$	\$
Total.....	\$	\$	\$

- (1) The "Price to Public" and "Underwriting Discount" for any single transaction to purchase 250,000 Warrants or more will be \$ per Warrant and \$. per Warrant, respectively.
 (2) Before deducting expenses payable by the Company.

The Warrants are offered by the Underwriter, subject to prior sale, when, as and if delivered to and accepted by the Underwriter, subject to certain other

conditions. The Underwriter reserves the right to reject orders in whole or in part. It is expected that delivery of the Warrants will be made on or about May , 1995.

This Prospectus Supplement and related Prospectus may be used by the Underwriter in connection with offers and sales related to market-making transactions in the Warrants. The Underwriter may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is , 1995.

IN CONNECTION WITH THE OFFERING OF THE WARRANTS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE WARRANTS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE AMERICAN STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Commissioner of Insurance of the State of North Carolina has not approved or disapproved this offering nor has the Commissioner passed upon the accuracy or adequacy of this Prospectus Supplement or Prospectus.

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PROSPECTUS SUPPLEMENT SUMMARY

The information below is qualified in its entirety by the detailed information appearing elsewhere in this Prospectus Supplement and in the Prospectus.

THE OFFERING

Securities Offered..... 1,500,000 Greater of U.S. Dollar/Deutsche Mark--
U.S. Dollar/Japanese Yen Put Currency Warrants
(the "Warrants"), Expiring May 15, 1997.

Cash Settlement Value..... The Cash Settlement Value of a Warrant will be
determined on the Exercise Date as the amount in
U.S. dollars, if positive, which is the greater
of:

(i) U.S. \$50 - (U.S. \$50 X $\frac{\text{DEM Strike Price}}{\text{DEM Spot Rate}}$); and

(ii) U.S. \$50 - (U.S. \$50 X $\frac{\text{JPY Strike Price}}{\text{JPY Spot Rate}}$).

"DEM Strike Price" means DEM per U.S. \$1.00 and "DEM Spot Rate" means the noon buying rate on the Exercise Date per U.S. \$1.00 in The City of New York for cable transfers in Deutsche Marks as certified for customs purposes by the Federal Reserve Bank of New York, or, if unavailable, as described herein. "JPY Strike Price" means JPY per U.S. \$1.00 and "JPY Spot Rate" means the noon buying rate on the Exercise Date per U.S. \$1.00 in The City of New York for cable transfers in Japanese Yen as certified for customs purposes by the Federal Reserve Bank of New York, or, if unavailable, as described herein.

Automatic Exercise of
Warrants..... The Warrants will be automatically exercised on
the fifth New York Business Day, as hereinafter
defined, immediately preceding May 15, 1997 or,
if the Warrants are subject to automatic
exercise in the event they cease to be traded
pursuant to the rules of a national securities
exchange or if certain events in bankruptcy,
insolvency or reorganization involving the
Company occur, the New York Business Day

immediately preceding the Early Expiration Date (as defined herein). The Warrants will be automatically exercised on the Exercise Date and are not exercisable at the option of the Holder. See "Description of the Warrants--Exercise of Warrants" and "Description of the Warrants--Automatic Exercise Prior to the Expiration Date".

Form..... The Warrants will be in book-entry form and, accordingly, a beneficial owner will not be entitled to receive a certificate

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representing such Warrants. See "Description of the Warrants--Book-Entry Procedures and Settlement".

Listing..... Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange, subject to official notice of issuance.

American Stock Exchange Symbol..... DMY.WS

Certain Risk Factors..... The Warrants involve a high degree of risk, including foreign exchange risks and the risk of expiring worthless. If on the Exercise Date the DEM Strike Price is greater than or equal to the DEM Spot Rate (i.e., the Deutsche Mark has not depreciated relative to the U.S. dollar) and the JPY Strike Price is greater than or equal to the JPY Spot Rate (i.e., the Japanese Yen has not depreciated relative to the U.S. dollar), the Warrants will expire worthless. Beneficial owners will bear the foreign exchange risks of the U.S. dollar as compared to the Deutsche Mark and the Japanese Yen. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

It is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. The trading value of a Warrant is expected to be dependent on the DEM Strike Price and the JPY Strike Price, as described herein, and also upon a number of complex interrelated factors, including the expected value on the Exercise Date of the Deutsche Mark and the Japanese Yen in terms of the U.S. dollar, the volatility of the DEM/U.S.\$ and JPY/U.S.\$ exchange rates, the time remaining to the expiration of the Warrants, the correlation between the DEM/U.S.\$ and JPY/U.S.\$ exchange rates and the interest rate differential between U.S. dollar and Deutsche Mark denominated fixed income instruments and the interest rate differential between U.S. dollar and Japanese Yen denominated fixed income instruments. The value of any currency, including Deutsche Marks, Japanese Yen, and U.S. dollars, may be affected by complex political and economic factors.

In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another national securities exchange, such Warrants will be automatically exercised on the New York Business Day (as defined herein) prior to the day such delisting or trading suspension becomes effective. At the time of such automatic exercise, the Warrants may be out-of-the-money such that the Cash Settlement Value would equal zero.

The initial public offering price of the Warrants is expected to be in excess of the price a commercial user of Deutsche Marks and/or Japanese Yen might pay in the interbank market for a comparable option involving significantly larger amounts of underlying currencies.

In general, certain risks associated with the Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. The Warrants are not standardized foreign currency options of the type issued by a clearing agency regulated by the Securities and Exchange Commission.

Investors are advised to carefully consider the foregoing risk factors, and the risks and other matters discussed under "Risk Factors Relating to the Warrants", "Description of the Warrants", "Exchange Rates and Cash Settlement Values" and "Certain United States Federal Income Tax Considerations Concerning the Warrants", prior to purchasing the Warrants.

Investors in Warrants..... The American Stock Exchange recommends that the Warrants be sold only to investors with options approved accounts and that its members and member organizations and registered employees thereof make certain suitability determinations before recommending transactions in the Warrants. It is suggested that investors considering purchasing the Warrants be experienced with respect to options and option transactions and understand the risks of foreign currency transactions and reach an investment decision only after carefully considering the suitability of the Warrants in light of their particular circumstances. The Warrants are not suitable for persons solely dependent upon a fixed income, for individual retirement plan accounts or for accounts under the Uniform Gift to Minors Act. INVESTORS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

CERTAIN IMPORTANT INFORMATION CONCERNING THE WARRANTS

A beneficial owner will receive a cash payment upon exercise only if the Warrants have a Cash Settlement Value in excess of zero on the Exercise Date. The spot exchange rates of the Deutsche Mark and the Japanese Yen on the Exercise Date as compared to the U.S. dollar will determine whether the Warrants have a positive Cash Settlement Value. The Warrants may be "out-of-the-money" (i.e., their Cash Settlement Value will be zero) when initially sold and the Warrants will be "in-the-money" (i.e., their Cash Settlement Value will be greater than zero) on the Exercise Date only if, as of such date, the Deutsche Mark or the Japanese Yen has depreciated (i.e., it takes more DEM or JPY to purchase one U.S. dollar) against the U.S. dollar to the extent that one U.S. dollar is worth more than the DEM Strike Price or the JPY Strike Price. If on the Exercise Date the DEM Strike Price is greater than or equal to the DEM Spot Rate (i.e., the Deutsche Mark has not depreciated relative to the U.S. dollar) and the JPY Strike Price is greater than or equal to the JPY Spot Rate (i.e., the Japanese Yen has not depreciated relative to the U.S. dollar), the Warrant will expire worthless and the beneficial owner will have sustained a total loss of the purchase price of such Warrant. Investors therefore should be prepared to sustain a total loss of the purchase price of their Warrants.

On April 21, 1995 the Noon Buying Rates of Deutsche Marks and Japanese Yen quoted by the Federal Reserve Bank of New York were U.S. \$1 = DEM 1.3750 and JPY 82.92, respectively. Beneficial owners of Warrants will be subject to foreign exchange risks which may have important economic and tax consequences to them. See "Exchange Rates and Cash Settlement Values" and "Certain United States Federal Income Tax Considerations Concerning the Warrants".

References herein to "U.S. dollars", "U.S.\$" or "\$" are to the currency of the United States of America. References to "Deutsche Mark" or "DEM" are to the currency of the Federal Republic of Germany. References to "Japanese Yen" and "JPY" are to the currency of Japan.

RISK FACTORS RELATING TO THE WARRANTS

THE WARRANTS INVOLVE A HIGH DEGREE OF RISK, INCLUDING FOREIGN EXCHANGE RISKS AND THE RISK OF EXPIRING WORTHLESS. INVESTORS THEREFORE SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS. IT IS SUGGESTED THAT INVESTORS CONSIDERING PURCHASING THE WARRANTS BE EXPERIENCED WITH RESPECT TO OPTIONS AND OPTION TRANSACTIONS AND UNDERSTAND THE RISKS OF FOREIGN CURRENCY TRANSACTIONS AND REACH AN INVESTMENT DECISION ONLY AFTER CAREFULLY CONSIDERING

ALL THE RISK FACTORS SET FORTH IN THIS SECTION OF THIS PROSPECTUS SUPPLEMENT, THE SUITABILITY OF THE WARRANTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES AND ALL THE OTHER INFORMATION SET FORTH IN THIS PROSPECTUS SUPPLEMENT AND IN THE ACCOMPANYING PROSPECTUS.

Exercise of the Warrants. The Warrants will be automatically exercised on the Exercise Date and are not exercisable at the option of the Holder.

Automatic Exercise of the Warrants upon Delisting. In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another national securities exchange, the Warrants will expire on the date such delisting or trading suspension becomes effective and will be automatically exercised on the New York Business Day immediately preceding the date of such early expiration. At the time of such automatic exercise, the Warrants may be out-of-the-money such that the Cash Settlement Value will equal zero.

Offering Price of the Warrants. The initial public offering price of the Warrants is expected to be in excess of the price a commercial user of, or dealer in options on, Deutsche Marks or Japanese Yen might pay for a comparable option involving significantly larger amounts of Deutsche Marks and Japanese Yen.

Certain Factors Affecting the Value of the Warrants. Each Warrant may have a Cash Settlement Value of zero at issuance. The difference between the trading value and the Cash Settlement Value will reflect a

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number of factors, including a "time value" component for the Warrants. The "time value" of the Warrants will depend upon the time remaining to expiration, among other factors. The expiration date of the Warrants will be accelerated should the Warrants be delisted or should their trading on the American Stock Exchange be suspended permanently unless the Warrants simultaneously are accepted for trading pursuant to the rules of another national securities exchange. Any such acceleration would result in the total loss of any otherwise remaining "time value" and could occur when the Warrants are out-of-the-money, thus resulting in total loss of the purchase price of the Warrants. See "Description of the Warrants--Automatic Exercise Prior to the Expiration Date". Before selling Warrants, beneficial owners should carefully consider the trading value of the Warrants, the value of the Deutsche Mark and the Japanese Yen, the probable range of Cash Settlement Values and any related transaction costs.

It is possible that the trading value of a Warrant may decline significantly even if there is a decrease in the value of the Deutsche Mark or the Japanese Yen as compared to the U.S. dollar.

There can be no assurance as to how the Warrants will trade in the secondary market or whether such market will be liquid. The trading value of a Warrant is expected to be dependent on the Warrant Strike Prices and also upon a number of complex interrelated factors, including those listed below. The expected theoretical effect on the trading value of a Warrant of each of the factors listed below, assuming in each case that all other factors are held constant, is as follows:

(1) The DEM/U.S.\$ and JPY/U.S.\$ exchange rates in the forward markets. The trading value of the Warrants is expected to depend primarily on the DEM/U.S.\$ and JPY/U.S.\$ exchange rates expected on the Exercise Date. Because the Cash Settlement Value is determined using the DEM/U.S.\$ and JPY/U.S.\$ exchange rates for immediate transfers (i.e., the spot rates) on the Exercise Date, the spot rates on other days during the term of the Warrants may not affect the trading value of the Warrants. If Warrants are sold prior to the maturity date, the sale price may be at a discount from the amount expected to be payable to the beneficial owner if the then current DEM/U.S.\$ and JPY/U.S.\$ exchange rates at the time of such sale were to prevail until the Exercise Date because of the possible fluctuation of the DEM/U.S.\$ and JPY/U.S.\$ exchange rates between the time of such sale and the Exercise Date. See "Exchange Rates and Cash Settlement Values" in this Prospectus Supplement. Furthermore, the price at which a beneficial owner will be able to sell Warrants prior to the Exercise Date may be at a discount, which could be substantial, from the purchase price, if, at such time, the DEM Strike Price and the JPY Strike Price are greater than or equal to the DEM/U.S.\$ exchange rate or the JPY/U.S.\$ exchange rate, respectively, expected on the Exercise Date.

(2) The volatility of the DEM/U.S.\$ and JPY/U.S.\$ exchange rates. If the volatility of the DEM/U.S.\$ or JPY/U.S.\$ exchange rate increases, the trading value of a Warrant is expected to increase. If such volatility decreases, the trading value of a Warrant is expected to decrease.

(3) The interest rate differential between U.S. dollar and Deutsche Mark or Japanese Yen denominated fixed income instruments. If Deutsche Mark interest rates increase relative to U.S. dollar interest rates, the value

of the Deutsche Mark in terms of the U.S. dollar in the forward market is expected to decrease and, as a result, the trading value of a Warrant is expected to increase. If Japanese Yen interest rates increase relative to U.S. dollar interest rates, the value of the Japanese Yen in terms of the U.S. dollar in the forward market is expected to decrease and, as a result, the trading value of a Warrant is expected to increase. If U.S. dollar interest rates increase relative to Deutsche Mark interest rates or Japanese Yen interest rates, the trading value of a Warrant is expected to decrease.

(4) Correlation between DEM/U.S.\$ and JPY/U.S.\$ exchange rates. The higher the correlation between changes in the two exchange rates, the lower the expected value of a Warrant.

(5) The time remaining to the expiration date of the Warrants. As the time remaining to the expiration date decreases, the trading value of a Warrant is expected to decrease.

As noted above, these hypothetical scenarios are based on the assumption that all other factors are held constant. In reality, it is unlikely that only one factor would change in isolation, since changes in one factor

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usually cause, or result from, changes in others. Some of the factors referred to above are, in turn, influenced by the political and economic factors discussed below.

Warrants not Standardized Options Issued by the Options Clearing Corporation. The Warrants are not standardized foreign currency options of the type issued by the Options Clearing Corporation (the "OCC"), a clearing agency regulated by the Securities and Exchange Commission. For example, unlike purchasers of OCC standardized options who have the credit benefits of guarantees and margin and collateral deposits by OCC clearing members to protect the OCC from a clearing member's failure, purchasers of Warrants must look solely to the Company for performance of its obligations to pay the Cash Settlement Value on the exercise of Warrants. In addition, OCC standardized options provide for physical delivery of the underlying foreign currency (rather than cash settlement in U.S. dollars), and permit immediate determination of value upon exercise. Further, the market for the Warrants is not expected to be generally as liquid as the market for some OCC standardized options.

The Warrants are unsecured contractual obligations of the Company and will rank on a parity with the Company's other unsecured contractual obligations and with the Company's unsecured and unsubordinated debt. However, since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including beneficial owners of the Warrants), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

General Risk Considerations. Options and warrants provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the currency, security, index or other measure underlying such options or warrants. In general, certain of the risks associated with the Warrants are similar to those generally applicable to other options or warrants of private corporate issuers. However, unlike options or warrants on equities or debt securities, which are priced primarily on the basis of the value of a single underlying security, the trading value of a Warrant is likely to reflect expected exchange rates on the Exercise Date.

The purchaser of a Warrant may lose his entire investment. This risk reflects the nature of a Warrant as an asset which tends to decline in value over time and which may, depending on the relative values of the Deutsche Mark and the Japanese Yen as compared to the U.S. dollar, become worthless when it expires. Assuming all other factors are held constant, the more a Warrant is out-of-the-money and the shorter its remaining term to expiration, the greater the risk that a purchaser of the Warrant will lose all of his investment. This means that the purchaser of a Warrant who does not sell it in the secondary market will lose his entire investment in the Warrant if, at expiration, the DEM Strike Price and the JPY Strike Price are greater than or equal to the DEM Spot Rate and the JPY Spot Rate, respectively.

The fact that Warrants may become valueless upon expiration means that, in order to recover and realize a return upon his investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated exchange rate change affecting the Deutsche Mark or the Japanese Yen in terms of the U.S. dollar. If the value of the Deutsche Mark or the Japanese Yen in terms of the U.S. dollar does not decline to an extent

sufficient to cover an investor's cost of the Warrant (i.e., the purchase price plus transaction costs, if any) before the Warrant expires, the investor will lose all or a part of his investment in the Warrant upon expiration. Beneficial owners will thus bear the foreign exchange risks of the U.S. dollar in terms of the Deutsche Mark and the Japanese Yen.

The American Stock Exchange recommends that Warrants be sold only to investors with options approved accounts and that its members and member organizations and registered employees thereof make certain suitability determinations before recommending transactions in Warrants. It is suggested that

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investors considering purchasing Warrants be experienced with respect to options and option transactions and understand the risks of foreign currency transactions and reach an investment decision only after carefully considering the suitability of the Warrants in light of their particular circumstances. Warrants are not suitable for persons solely dependent upon a fixed income, for individual retirement plan accounts or for accounts under the Uniform Gift to Minors Act. INVESTORS SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THE PURCHASE PRICE OF THEIR WARRANTS.

Currency Exchange Markets. The value of any currency, including the Deutsche Mark, the Japanese Yen, and the U.S. dollar, may be affected by complex political and economic factors. The spot exchange rates of the Deutsche Mark and the Japanese Yen in terms of the U.S. dollar are at any moment a result of the supply and demand for the three currencies, and changes in the relative exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in the Federal Republic of Germany, Japan and the United States, including economic and political developments in other countries. Of particular importance are the relative rates of inflation, interest rate levels, the balance of payments and the extent of governmental surpluses or deficits in the Federal Republic of Germany, in Japan and in the United States, all of which are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of the Federal Republic of Germany, Japan, the United States and other countries important to international trade and finance.

Foreign exchange rates can either be fixed by sovereign governments or float. Exchange rates of most economically developed nations, including the Federal Republic of Germany and Japan, are permitted to fluctuate in value relative to the U.S. dollar. Governments, however, sometimes do not allow their currencies to float freely in response to economic forces. Sovereign governments in fact use a variety of techniques, such as intervention by a country's central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Warrants is that their liquidity, trading value and Cash Settlement Value could be affected by governmental actions which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Warrants in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the Deutsche Mark, the Japanese Yen, the U.S. dollar or any other currency. In contrast, the OCC has reserved the authority to adjust the terms of its standardized options for certain governmental actions and to impose special exercise settlement procedures.

The interbank market in foreign currencies is a global, around-the-clock market. Therefore, the hours of trading for the Warrants will not conform to the hours during which the Deutsche Mark, the Japanese Yen and U.S. dollar are traded. To the extent that the American Stock Exchange is closed while the markets for the Deutsche Mark and the Japanese Yen remain open, significant price and rate movements may take place in the underlying foreign exchange markets that will not be reflected immediately in the price of a Warrant on such exchange. The possibility of such movements should be taken into account in relating closing prices on the American Stock Exchange for the Warrants to those in the underlying foreign exchange markets.

There is no systematic reporting of last-sale information for foreign currencies. Reasonably current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices, and to others who wish to subscribe for this information, but such information will not necessarily reflect the DEM Noon Buying Rate or the JPY Noon Buying Rate (each as defined below) used to calculate the DEM Spot Rate and the JPY Spot Rate. There is no regulatory requirement that those quotations be firm or revised on a timely basis. The absence of last-sale information and the limited availability of quotations to individual investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

RECENT DEVELOPMENTS

The following summary of certain consolidated financial information concerning the Company was derived from, and is qualified in its entirety by reference to, the financial information and data contained in the Company's Current Report on Form 8-K dated April 18, 1995 (the "Current Report") and Annual Report on Form 10-K for the year ended December 30, 1994. See "Incorporation of Certain Documents by Reference" in the accompanying Prospectus. The Current Report, which includes preliminary unaudited financial information for the quarter ended March 31, 1995, will be superseded in its entirety by the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995. The results of operations contained in the Company's Current Report 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 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.

INCOME STATEMENT INFORMATION
(IN THOUSANDS, EXCEPT RATIOS)

<TABLE>
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	THREE MONTHS ENDED	
	APRIL 1, 1994	MARCH 31, 1995
<S>	<C>	<C>
Revenues.....	\$ 4,738,811	\$ 5,203,877
Net revenues(1).....	\$ 2,831,828	\$ 2,420,485
Earnings before income taxes.....	\$ 652,208	\$ 378,792
Net earnings	\$ 371,759	\$ 227,275
Ratio of earnings to fixed charges(2).....	1.3	--

BALANCE SHEET INFORMATION(3)
(IN THOUSANDS)

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	AT DECEMBER 30, 1994	AT MARCH 31, 1995
	<S>	<C>
Total assets	\$163,749,327	\$ --
Long-term borrowings.....	\$ 14,863,383	\$ --
Stockholders' equity.....	\$ 5,817,545	\$ --

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Notes

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

(2) The ratio of earnings to fixed charges for the three months ended March 31, 1995 is not available as of the date of this Prospectus Supplement. For the year ended December 30, 1994, the ratio of earnings to fixed charges was 1.2. 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, that portion of rentals estimated to be representative of the interest factor, and amortization of debt expense.

(3) Balance sheet information for the quarter ended March 31, 1995 is not available as of the date of this Prospectus Supplement. 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 December 30, 1994, \$557,776,000 of bank loans and \$14,758,830,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At December 30, 1994, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$2,180,186,000 and \$51,864,594,000, respectively. From December 31, 1994 to April 18, 1995, long-term borrowings, net of new issuances and resales, decreased by approximately \$608,874,000.

RESULTS OF OPERATIONS FOR THE PERIOD ENDED MARCH 31, 1995

Financial markets, which steadily weakened throughout 1994, improved in the first quarter of 1995 on the prospects of a slowing U.S. economy, relatively stable interest rates, and heightened investor activity. Net earnings were \$227 million in the 1995 first quarter, down 39% from the record \$372 million in the 1994 first quarter, but up 41% from \$162 million in the 1994 fourth quarter. Total revenues in the 1995 first quarter were \$5,204 million, up 10% and 16% from the 1994 first and fourth quarters, respectively. Net revenues in the 1995 first quarter were \$2,420 million, down 15% from the 1994 first quarter, but up 16% from the 1994 fourth quarter. Non-interest expenses were \$2,042 million, down 6% from the 1994 first quarter, but up 11% from the 1994 fourth quarter.

Commission revenues were \$685 million for the 1995 first quarter, down 21% from 1994 first quarter record levels, primarily as a result of lower mutual fund and listed securities transactions revenues. Mutual fund commissions were affected by lower volumes and declines in value experienced by most stock and bond mutual funds throughout 1994. Commissions on listed securities transactions also decreased, primarily reflecting a change in the mix of transactions between institutional and retail clients.

Interest and dividend revenues rose 38% from the 1994 first quarter to \$3,029 million. Interest expense, which includes dividend expense, increased 46% to \$2,783 million. Net interest profit declined 16% to \$246 million as a result of a significant increase in short-term interest rates, quarter over quarter, and the continued flattening of the yield curve, which is the difference between short-term and long-term interest rates. As a result, interest spreads declined, while financing and hedging costs increased from the 1994 first quarter.

Principal transactions revenues increased 1% from the first quarter of 1994 to \$675 million. Taxable fixed-income trading revenues increased as a result of higher revenues from corporate bonds and preferred stock and money market instruments. Trading results were negatively affected by higher interest rates, leading to a modest loss in mortgage-backed products and lower revenues from U.S. Government and agencies securities. Net trading results from mortgage-backed products were positive, however, when combined with related net interest income. Revenues from interest rate and currency swaps increased due to higher trading revenues from non-U.S. dollar and U.S. dollar denominated swap transactions. Municipal securities revenues advanced due to continued demand for tax-exempt investments. Equities and equity derivatives trading revenues decreased primarily as a result of lower revenues from international equities. Foreign exchange and commodities trading revenues decreased due primarily to lower commodity trading volume.

Investment banking revenues were \$248 million, down 44% from the first quarter of 1994, as domestic and global underwriting volumes industrywide declined 50% and 44%, respectively, compared to volumes in the 1994 first quarter. Underwriting activity continued at low levels as relatively higher interest rates and increased cash flows from strong corporate earnings continued to decrease demand for debt and equity issuances. Lower underwriting revenues were reported in most categories, including equities, high yield securities, and corporate debt and preferred stock. 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 increased 1% from the 1994 first quarter to \$448 million principally as a result of increased fees earned from certain mutual fund investor services, variable annuity products, and asset management activities. Other revenues rose 1% from the 1994 first quarter to \$117 million, reflecting higher income from partnership investments partially offset by net losses on certain other investments.

Non-interest expenses were \$2,042 million, down 6% from the 1994 first quarter. Compensation and benefits expense, which represented approximately 62% of non-interest expenses, decreased 11% from the 1994 first quarter, due primarily to lower levels of variable incentive compensation. Compensation and benefits expense as a percentage of net revenues was 52.5% in the first quarter of 1995, compared with 50.5% in the year-ago period.

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Occupancy costs decreased 3% from the 1994 first quarter, benefiting from continued relocation of support staff to lower cost facilities and reduced space requirements at the headquarters facility. Other facilities-related costs, which include communications and equipment rental expense and depreciation and amortization expense, rose 11% primarily due to increased usage of market information services, as well as higher depreciation expense from the purchase of technology-related equipment over the past year.

Advertising and market development expenses decreased 12% from the 1994 first quarter due to lower discretionary travel costs and reduced production-related recognition costs. Professional fees increased 5% from the year-ago quarter,

due primarily to higher legal fees, partially offset by lower systems and management consulting fees. Brokerage, clearing, and exchange fees decreased 3% from the 1994 first quarter as a result of lower commodity exchange fees related to reduced trading volume. Other expenses increased 9% from the 1994 first quarter due primarily to a \$26 million charge for the write-off of an asset related to a technology contract.

Income tax expense totaled \$152 million in the 1995 first quarter. The effective tax rate in the 1995 first quarter was 40.0%, compared with 43.0% in the year-ago period. The decrease in the effective tax rate was attributable to lower state income taxes and higher tax-exempt interest and dividend income.

BALANCE SHEET INFORMATION

Balance sheet information as of March 31, 1995 is not available as of the date of this Prospectus Supplement. See the attached Prospectus for a discussion of certain balance sheet information as of December 30, 1994.

DESCRIPTION OF THE WARRANTS

GENERAL

An aggregate of 1,500,000 Warrants will be issued. The Warrants will be issued under a Warrant Agreement (the "Warrant Agreement"), to be dated as of May , 1995, between the Company and Citibank, N.A., as Warrant Agent (the "Warrant Agent"). The following statements with respect to the Warrants are summaries of the detailed provisions of the Warrant Agreement, the form of which is filed as an exhibit to the Registration Statement relating to the Warrants. Wherever particular provisions of the Warrant Agreement or terms defined therein are referred to, such provisions or definitions are incorporated by reference as a part of the statements made, and the statements are qualified in their entirety by such reference.

A Warrant will not require, or entitle, a beneficial owner to sell or purchase Deutsche Marks or Japanese Yen to or from the Company. The Company will make only a U.S. dollar cash settlement, if any, upon automatic exercise of the Warrants.

The Warrants will expire on May 15, 1997 (the "Expiration Date") or on such earlier date as described under "Exercise of Warrants" and "Automatic Exercise Prior to the Expiration Date". The Warrants will be automatically exercised on the Exercise Date, as set forth under "Exercise of Warrants", and are not exercisable at the option of the Holder. The term "New York Business Day", as used herein, means any day other than a Saturday or a Sunday or a day on which commercial banks in The City of New York are required or authorized by law or executive order to be closed.

The Warrants are unsecured contractual obligations of the Company and will rank on a parity with the Company's other unsecured contractual obligations and with the Company's unsecured and unsubordinated debt. However, since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including beneficial owners of the Warrants), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor

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of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including Merrill Lynch, Pierce, Fenner & Smith Incorporated, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934, as amended, and under rules of certain exchanges and other regulatory bodies.

EXERCISE OF WARRANTS

The Warrants are not exercisable at the option of the Holder. The Warrants will be automatically exercised on the fifth New York Business Day immediately preceding the Expiration Date or, if an Early Expiration Date (as defined herein) occurs, the New York Business Day immediately preceding the Early Expiration Date (the "Exercise Date").

The Warrant Agent will obtain the Cash Settlement Value on the Exercise Date from the Calculation Agent and will pay the Cash Settlement Value of the Warrants to the Securities Depository by check on the Expiration Date and, if May 15, 1997 is not a New York Business Day, on the next succeeding New York Business Day. If an Early Expiration Date occurs, as described below under "Automatic Exercise Prior to the Expiration Date", the Warrant Agent will pay the Cash Settlement Value of the Warrants to the Securities Depository by check on the fifth New York Business Day following the Early Expiration Date. See "Description of the Warrants--Book-Entry Procedures and Settlement".

CASH SETTLEMENT VALUE

The Cash Settlement Value of a Warrant will be determined on the Exercise Date as the amount in U.S. dollars, if positive, which is the greater of:

(i) the amount computed by subtracting from U.S. \$50 an amount equal to U.S. \$50 times a fraction, the numerator of which is DEM per U.S. \$1.00, and the denominator of which is the DEM Spot Rate on such Exercise Date. The "DEM Spot Rate" on the Exercise Date will be determined by Merrill Lynch International Bank, an affiliate of the Company, or successor thereto (the "Calculation Agent") and will equal (a) the noon buying rate per U.S. \$1.00 in The City of New York on the Exercise Date for cable transfers in Deutsche Marks as certified for customs purposes by the Federal Reserve Bank of New York (the "DEM Noon Buying Rate") as reported on page 1FEE of The Reuter Monitor Money Rates Service (or such page as may replace that page), or (b) if the DEM Noon Buying Rate does not appear on such page by 1:00 p.m. on the Exercise Date, the DEM Noon Buying Rate on the Exercise Date as otherwise announced by the Federal Reserve Bank of New York, or (c) if the Federal Reserve Bank of New York has not quoted such rate by 1:30 p.m. on the Exercise Date, the offered spot rate of Deutsche Marks per U.S. \$1.00 on such date for a transaction amount approximately equivalent to U.S. \$50 times the aggregate number of Warrants issued, quoted at approximately 1:30 p.m., New York City time, by a leading bank in the foreign exchange markets as may be selected by the Calculation Agent; and

(ii) the amount computed by subtracting from U.S. \$50 an amount equal to U.S. \$50 times a fraction, the numerator of which is JPY per U.S. \$1.00, and the denominator of which is the JPY Spot Rate on such Exercise Date. The "JPY Spot Rate" on the Exercise Date will be determined by the Calculation Agent and will equal (a) the noon buying rate per U.S. \$1.00 in The City of New York on the Exercise Date for cable transfers in Japanese Yen as certified for customs purposes by the Federal Reserve Bank of New York (the "JPY Noon Buying Rate") as reported on page 1FEE of The Reuter Monitor Money Rates Service (or such page as may replace that page), or (b) if the JPY Noon Buying Rate does not appear on such page by 1:00 p.m. on the Exercise Date, the JPY Noon Buying Rate on the Exercise Date as otherwise announced by the Federal Reserve Bank of New York, or (c) if the Federal Reserve Bank of New York has not quoted such rate by 1:30 p.m. on the Exercise Date, the offered spot rate of Japanese Yen per U.S. \$1.00 on such date for a transaction amount approximately equivalent to U.S. \$50 times the aggregate number of Warrants issued, quoted at approximately 1:30

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p.m., New York City time, by a leading bank in the foreign exchange markets as may be selected by the Calculation Agent.

The Cash Settlement Value will be rounded, if necessary, to the nearest cent (with one-half cent being rounded upwards).

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Upon issuance, all Warrants will be represented by one registered global Warrant (the "Global Warrant"). The Global Warrant will be deposited with, or on behalf of, The Depository Trust Company, as Securities Depository, and registered in the name of the Securities Depository or a nominee thereof. Unless and until it is exchanged in whole or in part for Warrants in definitive form in the limited circumstances described below, the Global Warrant may not be transferred except as a whole by the Securities Depository to a nominee of such Securities Depository or by a nominee of such Securities Depository to such Securities Depository or another nominee of such Securities Depository or by such Securities Depository or any such nominee to a successor of such Securities Depository or a nominee of such successor.

The Securities Depository has advised the Company as follows: The Securities Depository is a limited-purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provision of Section 17A of the Securities Exchange Act of 1934, as amended. The Securities Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The Securities Depository's participants include securities brokers and dealers (including the Underwriter), banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Securities Depository. Access to the Securities Depository book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly. Persons who are not participants may beneficially own securities held by the Securities Depository only through participants.

Ownership of beneficial interests in the Warrants will be limited to entities which have accounts with the Securities Depository ("Agent Members") or persons that may hold interests through Agent Members. The Securities Depository has

advised the Company that upon the issuance of the Global Warrant representing the Warrants, the Securities Depository will credit, on its book-entry registration and transfer system, the Agent Members' accounts with the respective aggregate amounts of the Warrants represented by the Global Warrant. Ownership of beneficial interests in the Global Warrant will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by the Securities Depository (with respect to interests of Agent Members) and on the records of Agent Members (with respect to interests of persons held through Agent Members). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to own, transfer or pledge beneficial interests in the Global Warrant.

So long as the Securities Depository, or its nominee, is the registered owner of the Global Warrant, the Securities Depository or its nominee, as the case may be, will be considered the sole owner or Holder of the Warrants represented by the Global Warrant for all purposes under the Warrant Agreement. Except as provided below, owners of beneficial interests in the Global Warrant will not be entitled to have the Warrants represented by the Global Warrant registered in their names, will not receive or be entitled to receive physical delivery of the Warrants in definitive form and will not be considered the owners or Holders thereof under the Warrant Agreement. Accordingly, each person owning a beneficial interest in the Global Warrant must rely on the procedures of the Securities Depository and, if such person is not an Agent Member, on the procedures of the Agent Member through which such person owns its interest, to exercise any rights of a

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Holder under the Warrant Agreement. The Company understands that under existing industry practices, in the event that the Company requests any action of Holders or that an owner of a beneficial interest in such a Global Warrant desires to give or take any action which a Holder is entitled to give or take under the Warrant Agreement, the Securities Depository would authorize the Agent Members holding the relevant beneficial interests to give or take such action, and such Agent Members would authorize beneficial owners owning through such Agent Members to give or take such action or would otherwise act upon the instructions of beneficial owners through them.

The Cash Settlement Value resulting from the exercise of Warrants registered in the name of the Securities Depository or its nominee will be paid by the Warrant Agent to the Securities Depository. None of the Company, the Warrant Agent or any other agent of the Company or agent of the Warrant Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests or for supervising or reviewing any records relating to such beneficial ownership interests. The Company expects that the Securities Depository, upon receipt of payment of the Cash Settlement Value in respect of the Global Warrant, will credit the accounts of the Agent Members with payment in amounts proportionate to their respective beneficial interests in the Global Warrant, as shown on the records of the Securities Depository. The Company also expects that payments by Agent Members to owners of beneficial interests in the Global Warrant will be governed by standing customer instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Agent Members. It is suggested that purchasers of Warrants with accounts at more than one brokerage firm effect transactions in the Warrants, only through the brokerage firm or firms which hold that purchaser's Warrants.

If the Securities Depository is at any time unwilling or unable to continue as depository and a successor Securities Depository is not appointed by the Company within 90 days or if the Company is subject to certain events in bankruptcy, insolvency or reorganization, the Company will issue Warrants in definitive form in exchange for the Global Warrant. In addition, the Company may at any time determine not to have the Warrants represented by the Global Warrant and, in such event, will issue Warrants in definitive form in exchange for the Global Warrant. In any such instance, an owner of a beneficial interest in the Global Warrant will be entitled to have a number of Warrants equivalent to such beneficial interest registered in its name and will be entitled to physical delivery of such Warrants in definitive form.

LISTING OF THE WARRANTS

Prior to issuance, the Warrants will have been approved for listing by the American Stock Exchange, subject to official notice of issuance. The American Stock Exchange will expect to cease trading the Warrants on such Exchange as of the close of business on the Expiration Date.

AUTOMATIC EXERCISE PRIOR TO THE EXPIRATION DATE

In the event that the Warrants are delisted from, or permanently suspended from trading on, the American Stock Exchange and the Warrants are not simultaneously accepted for trading pursuant to the rules of another national securities exchange, the Warrants will expire on the date such delisting or trading suspension becomes effective (an "Early Expiration Date") and the

Warrants will be automatically exercised on the New York Business Day immediately preceding such Early Expiration Date, and the Cash Settlement Value, if any (determined as provided under "Exercise of Warrants"), of such automatically exercised Warrants will be paid on the fifth New York Business Day following such Early Expiration Date. Settlement shall otherwise occur as described under "Book-Entry Procedures and Settlement". The Company will notify Holders as soon as practicable of such delisting or trading suspension. The Company has agreed in the Warrant Agreement that it will not seek delisting of the Warrants or suspension of their trading on the American Stock Exchange.

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The Warrants may also expire on the date of occurrence of certain events in bankruptcy, insolvency or reorganization involving the Company (any such date also being an "Early Expiration Date") and the Warrants will be automatically exercised as of the New York Business Day immediately preceding such Early Expiration Date. The Cash Settlement Value, if any (determined as provided under "Cash Settlement Value"), of such automatically exercised Warrants will be due and payable on the fifth New York Business Day following such Early Expiration Date. Settlement will otherwise occur as described under "Book-Entry Procedures and Settlement".

MODIFICATION

The Warrant Agreement and the terms of the Warrants may be amended by the Company and the Warrant Agent, without the consent of the beneficial owners of any Warrants, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Company may deem necessary or desirable and which will not materially and adversely affect the interests of the beneficial owners of the Warrants.

The Company and the Warrant Agent also may modify or amend the Warrant Agreement and the terms of the Warrants, with the consent of the beneficial owners of not less than a majority in number of the then outstanding Warrants affected, provided that no such modification or amendment that changes the DEM Spot Rate or the JPY Spot Rate so as to adversely affect the beneficial owner, changes the Expiration Date or otherwise materially and adversely affects the exercise rights of the beneficial owners of the Warrants or reduces the percentage of the number of outstanding Warrants, the consent of whose beneficial owners is required for modification or amendment of a Warrant Agreement or the terms of Warrants may be made without the consent of the beneficial owners of Warrants affected thereby.

MERGER AND CONSOLIDATION

The Company may consolidate or merge with or into any other corporation, and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a state thereof and shall assume payment of the Cash Settlement Value with respect to all unexercised Warrants, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of the Warrant Agreement and of the Global Warrant to be performed by the Company.

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EXCHANGE RATES AND CASH SETTLEMENT VALUES

The following table sets forth the monthly averages of the noon buying rates in New York per U.S. dollar for the Deutsche Mark and the Japanese Yen for the period from January 1990 through March 1995, and the average of the noon buying rates in New York per U.S. dollar for the Deutsche Mark and the Japanese Yen for the period from April 3, 1995 through April 20, 1995. The historical experience of Deutsche Mark/U.S. dollar and Japanese Yen/U.S. dollar exchange rates should not be taken as indications of future performance and no assurance can be given that the values of the Deutsche Mark and the Japanese Yen will not increase relative to the U.S. dollar and thereby cause the Cash Settlement Value with respect to the Warrants to equal zero.

<TABLE>
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		DEM/U.S. \$1	JPY/U.S. \$1
<C>	<S>	<C>	<C>
1990:	January.....	1.6914	144.98
	February.....	1.6758	145.69
	March.....	1.7053	153.31
	April.....	1.6863	158.46
	May.....	1.6630	154.04
	June.....	1.6832	153.70
	July.....	1.6375	149.04

	August.....	1.5702	147.46
	September.....	1.5701	138.44
	October.....	1.5238	129.59
	November.....	1.4857	129.22
	December.....	1.4982	133.89
1991:	January.....	1.5091	133.70
	February.....	1.4805	130.54
	March.....	1.6122	137.39
	April.....	1.7027	137.11
	May.....	1.7199	138.22
	June.....	1.7828	139.75
	July.....	1.7852	137.83
	August.....	1.7435	136.82
	September.....	1.6933	134.30
	October.....	1.6893	130.77
	November.....	1.6208	129.63
	December.....	1.5630	128.04
1992:	January.....	1.5788	125.46
	February.....	1.6186	127.70
	March.....	1.6616	132.85
	April.....	1.6493	133.54
	May.....	1.6225	130.77
	June.....	1.5726	126.84
	July.....	1.4914	125.88
	August.....	1.4475	126.23
	September.....	1.4514	122.60
	October.....	1.4851	121.17
	November.....	1.5875	123.88
	December.....	1.5822	124.04
1993:	January.....	1.6144	124.99
	February.....	1.6414	120.76
	March.....	1.6466	117.02
	April.....	1.5964	112.41

</TABLE>

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<TABLE>
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		DEM/U.S. \$1	JPY/U.S. \$1
<C>	<S>	<C>	<C>
	May.....	1.6071	110.34
	June.....	1.6547	107.41
	July.....	1.7157	107.69
	August.....	1.6944	103.77
	September.....	1.6219	105.57
	October.....	1.6405	107.02
	November.....	1.7005	107.88
	December.....	1.7105	109.91
1994:	January.....	1.7426	111.44
	February.....	1.7355	106.30
	March.....	1.6909	105.10
	April.....	1.6984	103.48
	May.....	1.6565	103.75
	June.....	1.6271	102.53
	July.....	1.5674	98.44
	August.....	1.5646	99.94
	September.....	1.5491	98.77
	October.....	1.5195	98.35
	November.....	1.5396	98.04
	December.....	1.5716	100.18
1995:	January.....	1.5302	99.77
	February.....	1.5022	98.24
	March.....	1.4061	90.52
	April (April 3 through April 20).....	1.3834	83.86

</TABLE>

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Source: January 1990 through March 1995: Federal Reserve Board Statistical Release G.5(405). April 3, 1995 through April 20, 1995: calculated by the Company using daily exchange rates as quoted in Federal Reserve Board Statistical Release H.10(512).

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The following graph sets forth the monthly averages of the noon buying rates in New York per U.S. dollar for the Deutsche Mark and the Japanese Yen since January 1990. The historical experience of Deutsche Mark/U.S. dollar and Japanese Yen/U.S. dollar exchange rates should not be taken as indications of future performance and no assurance can be given that the values of the Deutsche Mark and the Japanese Yen will not increase relative to the U.S. dollar and thereby cause the Cash Settlement Value with respect to the Warrants to equal zero.

DEM/U.S. \$1 AND JPY/U.S. \$1 EXCHANGE RATES--HISTORICAL PERFORMANCE
MONTHLY AVERAGES

[The graph sets forth the monthly averages of the noon buying rates in New York per U.S. dollar for the Deutsche Mark and the Japanese Yen for the period from January 1990 through March 1995, with the left vertical axis specifying the buying rate for the Deutsche Mark in a range from 1.2500 to 2.0000 in increments of .2500 and the right vertical axis specifying the buying rate for the Japanese Yen in a range from 75 to 175 in increments of 25, and the horizontal axis specifying the time period, in increments of four months, from January 1990 to January 1995, and in a two month increment from January 1995 to March 1995.]

On April 21, 1995 the Noon Buying Rates of Deutsche Marks and Japanese Yen quoted by the Federal Reserve Bank of New York were U.S. \$1 = DEM 1.3750 and JPY 82.92, respectively.

The information presented in this Prospectus Supplement relating to the exchange rates of the Deutsche Mark and the Japanese Yen as compared to the U.S. dollar is furnished as a matter of information only. The fluctuations in the Deutsche Mark/U.S. dollar and the Japanese Yen/U.S. dollar exchange rates that have occurred in the past are not necessarily indicative of fluctuations in that rate which may occur over the term of the Warrants.

As discussed under "Description of the Warrants", the spot exchange rate of the Deutsche Mark or the Japanese Yen in terms of the U.S. dollar on the Exercise Date will determine the Cash Settlement Value of a Warrant. Depreciation of the Deutsche Mark or the Japanese Yen in terms of the U.S. dollar (i.e., appreciation of the U.S. dollar in terms of the Deutsche Mark or the Japanese Yen) will result in a greater Cash Settlement Value. Conversely, appreciation of the Deutsche Mark and the Japanese Yen in terms of the U.S. dollar (i.e., depreciation of the U.S. dollar in terms of the Deutsche Mark and the Japanese Yen) will result in a lesser or zero Cash Settlement Value of a Warrant.

Set forth below is an illustration of the Cash Settlement Values of Warrants at exercise based on a hypothetical DEM Strike Price equal to DEM 1.40 per U.S. \$1 and a hypothetical JPY Strike Price equal to JPY 85 per U.S. \$1 and various hypothetical DEM Spot Rates and JPY Spot Rates. THE ACTUAL CASH

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SETTLEMENT VALUE OF A WARRANT WILL DEPEND ENTIRELY ON THE ACTUAL DEM STRIKE PRICE AND THE ACTUAL JPY STRIKE PRICE (WHICH WILL BE DETERMINED ON THE DATE THE WARRANTS ARE PRICED BY THE COMPANY FOR INITIAL OFFERING TO THE PUBLIC), AS WELL AS ON THE ACTUAL DEM SPOT RATE AND THE ACTUAL JPY SPOT RATE ON THE EXERCISE DATE. The illustrative Cash Settlement Values in the table do not reflect any "time value" for a Warrant, which may be reflected in trading value, and are not necessarily indicative of potential profit or loss, which are also affected by purchase price and transaction costs.

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DEM RATES		JPY RATES		
HYPOTHETICAL DEM SPOT RATES (DEM/U.S. \$1)	CASH SETTLEMENT VALUE BASE UPON DEM SPOT RATES	HYPOTHETICAL JPY SPOT RATE (JPY/U.S. \$1)	CASH SETTLEMENT VALUE BASED UPON JPY SPOT RATES	CASH SETTLEMENT VALUES OF A WARRANT
<S>	<C>	<C>	<C>	<C>
1.60.....	\$6.25.....	95.....	\$5.26.....	\$6.25
1.50.....	3.33.....	90.....	2.78.....	3.33
1.42.....	0.70.....	87.....	1.15.....	1.15
1.40(/1/) or below...	0.00.....	85(/1/) or below...	0.00.....	0.00

</TABLE>

(/1/) Hypothetical Strike Prices

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS
CONCERNING THE WARRANTS

The following is a summary of the principal United States Federal income tax consequences of the purchase, ownership and disposition of a Warrant. The following discussion of certain United States Federal income tax consequences to beneficial owners of the Warrants applies only to a person who holds a Warrant as a capital asset and does not purport to address the United States Federal income tax consequences to special classes of investors including persons who are securities or options dealers, persons who do not hold the Warrants as capital assets or persons who may hold the Warrants as part of an integrated transaction (e.g., as part of a hedge or straddle for tax purposes). Prospective purchasers of Warrants are urged to consult their own tax advisors as to the application of the United States Federal income tax laws to their particular situations as well as any consequences of the purchase, ownership and disposition of the Warrants arising under the laws of any other taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Warrant that is for United States Federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate or trust the income of which is subject to United States Federal income taxation regardless of its source or (iv) any other person whose income or gain in respect of a Warrant is effectively connected with the conduct of a United States trade or business. As used herein, the term "non-U.S. Holder" means a beneficial owner of a Warrant that is not a U.S. Holder.

In the opinion of Brown & Wood, counsel to the Company, although there is no authority directly dealing with instruments such as the Warrants, a Warrant should be treated as a nonequity option for purposes of Section 1256 of the Internal Revenue Code of 1986, as amended (the "Code"), which must be "marked-to-market". Accordingly, a U.S. Holder of a Warrant will be required to treat such Warrant as if sold for its fair market value on the last business day of the U.S. Holder's taxable year and will be required to recognize taxable gain or loss for that taxable year in an amount equal to the difference between the fair market value of the Warrant on the last business day of such taxable year and the U.S. Holder's adjusted tax basis in the Warrant. A U.S. Holder's adjusted tax basis in a Warrant will equal such U.S. Holder's initial investment in the Warrant, increased or decreased by any net gain or loss recognized by the U.S. Holder in respect of the Warrant in prior taxable years. Any gain or loss recognized by a U.S. Holder of a Warrant in accordance with the preceding rules will generally be treated as 60 percent long-term capital gain or loss and 40 percent short-term capital gain or loss.

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Upon the sale, exchange, exercise or expiration of a Warrant, a U.S. Holder will be required to recognize taxable gain or loss in an amount equal to the difference between the amount realized upon such sale, exchange, exercise or expiration and the U.S. Holder's adjusted tax basis in the Warrant. Such gain or loss would generally be treated as 60 percent long-term capital gain or loss and 40 percent short-term capital gain or loss.

Despite the foregoing, assuming that the U.S. Holder's functional currency (as defined in Section 985 of the Code) is the U.S. dollar, any gain or loss recognized by a U.S. Holder in respect of a Warrant (as described above) will be treated entirely as ordinary income or loss if the U.S. Holder elects, or has previously elected, under Section 988 of the Code, to treat its acquisition of the Warrant as a "Section 988 Transaction" giving rise to foreign currency gain or loss. This election would extend to certain other contracts which are subject to Section 1256 of the Code and which are required to be marked-to-market, including certain regulated futures contracts and nonequity options, entered into by the U.S. Holder in the current or subsequent taxable years, and would be irrevocable without the consent of the Internal Revenue Service ("IRS"). A U.S. Holder of Warrants should consult its own tax advisor concerning the consequences and mechanics of making this election prior to making such election.

NON-U.S. HOLDERS

Gains realized on the sale, exchange or exercise of a Warrant by a non-U.S. Holder will not be subject to United States Federal income or withholding tax in respect of such amounts, assuming the income is not effectively connected with a United States trade or business of the non-U.S. Holder. Certain other exceptions may be applicable, and a non-U.S. Holder should consult its own tax advisor in this regard.

Under current law, the fair market value of a Warrant may be includible in the estate of an individual non-U.S. Holder for United States Federal estate tax purposes, unless an applicable estate tax treaty provides otherwise. Individual non-U.S. Holders should consult their own tax advisors concerning the United States Federal estate tax consequences, if any, of investing in the Warrants.

BACKUP WITHHOLDING

A beneficial owner of a Warrant may be subject to backup withholding at the rate of 31 percent with respect to the gross proceeds upon a sale or exercise of a Warrant if such beneficial owner fails to supply an accurate taxpayer identification number and does not establish, when required, that it is an exempt recipient or a non-U.S. Holder. Any amount withheld under the backup withholding rules would be allowed as a refund or a credit against the beneficial owner's United States Federal income tax provided the required information is furnished to the IRS.

USE OF PROCEEDS

A substantial portion of the proceeds from the sale of the Warrants may be used to hedge market risks with respect to the payment at expiration of the

Warrants. The Company does not intend to confine its hedging activities to any particular domestic or foreign exchanges.

UNDERWRITING

Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter") has agreed, subject to the terms and conditions of the Underwriting Agreement and a Terms Agreement, to purchase from the Company all of the Warrants offered hereby. The Underwriting Agreement and Terms Agreement provide that the Underwriter will purchase all the Warrants if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer all or part of the Warrants directly to the public at the offering prices set forth on the cover page of this Prospectus Supplement and to certain dealers at such price less a concession not in excess of % of the underwriting discount applicable to transactions to purchase less than 250,000 Warrants. After the initial public offering, the public offering prices and concession may be changed.

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An affiliate of the Underwriter will receive a fee from the Company for assisting the Company in arranging hedging of the Company's currency risks with respect to the Warrants.

The underwriting of the Warrants 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.

VALIDITY OF THE WARRANTS

The validity of the Warrants will be passed upon for the Company and for the Underwriter by Brown & Wood, New York, New York.

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PROSPECTUS

LOGO
MERRILL LYNCH & CO., INC.
DEBT SECURITIES AND WARRANTS

Merrill Lynch & Co., Inc. (the "Company") intends to sell from time to time up to \$2,985,953,046 aggregate principal amount (or net proceeds in the case of warrants and in the case of securities issued at an original issue discount), or its equivalent in such foreign currencies or units of two or more currencies, based on the applicable exchange rate at the time of offering, as shall be designated by the Company at the time of offering, of its senior debt securities ("Senior Debt Securities"), subordinated debt securities ("Subordinated Debt Securities" and, together with the Senior Debt Securities, the "Debt Securities"), warrants to purchase Debt Securities ("Debt Warrants"), warrants entitling the holders thereof to receive from the Company a payment or delivery determined by reference to decreases or increases in the level of an index or portfolio based on one or more equity or debt securities (including the price or yield of such securities), any statistical measure of economic or financial performance (including any consumer price, currency or mortgage index) or the price or value of any commodity or a combination thereof (the "Index Warrants") and warrants to receive from the Company the cash value in U.S. dollars of the right to purchase ("Currency Call Warrants") or to sell ("Currency Put Warrants" and, together with the Currency Call Warrants, the "Currency Warrants") such foreign currencies or units of two or more currencies as shall be designated by the Company at the time of offering. The Debt Securities, Debt Warrants, Index Warrants and Currency Warrants, which are collectively called the "Securities", may be offered either jointly or separately and will be offered to the public on terms determined by market conditions at the time of sale and set forth in a prospectus supplement.

The Securities will be unsecured and, except in the case of Subordinated Debt Securities, will rank equally with all other unsecured and unsubordinated indebtedness of the Company. The Subordinated Debt Securities will be subordinated to all existing and future Senior Indebtedness of the Company.

Each issue of Securities may vary, where applicable, as to aggregate principal amount, maturity date, public offering or purchase price, interest rate or rates, if any, and timing of payments thereof, provision for redemption, sinking fund requirements, if any, exercise provisions, currencies of denomination or currencies otherwise applicable thereto and any other variable terms and method of distribution. The accompanying Prospectus Supplement (the "Prospectus Supplement") sets forth the specific terms with regard to the Securities in respect of which this Prospectus is being delivered.

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.

The Securities may be sold directly or through Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") as agent or may be offered and reoffered through, or through underwriting syndicates managed or co-managed by, one or more of the following: MLPF&S; Bear, Stearns & Co. Inc.; Donaldson, Lufkin & Jenrette Securities Corporation; The First Boston Corporation; Goldman, Sachs & Co.; Lehman Brothers Inc.; Morgan Stanley & Co. Incorporated; Nomura Securities International, Inc.; PaineWebber Incorporated; and Salomon Brothers Inc, or directly to purchasers by the Company. The Company has entered into agreements with such firms with respect to the Securities providing for agency sales of the Securities through MLPF&S or the purchase and offering from time to time by one or more of such firms, either alone or with the several members of any syndicate formed by them. Additional agreements respecting the distribution of the Securities may be entered into from time to time by the Company. Securities may not be sold without delivery of a Prospectus Supplement describing such issue of Securities and the method and terms of offering thereof.

The date of this Prospectus is April 21, 1995.

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 (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: Chicago Regional Office, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511 and New York 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 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 and April 18, 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 Sections 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 Securities 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.

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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, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("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 Company intends to use the net proceeds from the sale of the Securities for general corporate purposes. Such uses may include the funding of investments in, or extensions of credit to, its subsidiaries, the funding of assets held by the Company or its subsidiaries, including securities inventories, customer receivables and loans (including business loans, home equity loans and loans in connection with investment banking-related merger and acquisition activities) and the lengthening of the average maturity of the Company's borrowings (including the refunding of maturing indebtedness). The precise amount and timing of investments in, and extensions of credit to, its subsidiaries will depend upon their funding requirements and the availability of other funds to the Company and its subsidiaries. Pending such applications, the net proceeds will be temporarily invested or applied to the reduction of short-term indebtedness. A substantial portion of the proceeds from the sale of any Currency Warrants or Index Warrants may be used to hedge market risks with respect to such Warrants. Management of the Company expects that it will, on a recurrent basis, engage in additional financings as the need arises to finance the growth of the Company or to lengthen the average maturity of its borrowings. To the extent that Securities being purchased for resale by MLPF&S are not resold, the aggregate proceeds to the Company and its subsidiaries would be reduced.

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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 and other information and data contained in the Company's Annual Report on Form 10-K for the year ended December 30, 1994. See "Incorporation of Certain Documents by Reference." 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.

<TABLE>
<CAPTION>

	YEAR ENDED LAST FRIDAY IN DECEMBER				
	1990	1991	1992	1993	1994
	(IN THOUSANDS, EXCEPT RATIOS)				
<S>	<C>	<C>	<C>	<C>	<C>
Revenues.....	\$11,147,229	\$12,352,812	\$ 13,412,668	\$ 16,588,177	\$ 18,233,091
Net revenues.....	\$ 5,783,329	\$ 7,246,468	\$ 8,577,401	\$ 10,558,230	\$ 9,624,521
Earnings before income taxes and cumulative effect of changes in accounting principles(1).....	\$ 282,328	\$ 1,017,418	\$ 1,621,389	\$ 2,424,808	\$ 1,729,604
Cumulative effect of					

changes in accounting principles (net of applicable income taxes) (1).....	--	--	\$ (58,580)	\$ (35,420)	--
Net earnings(1).....	\$ 191,856	\$ 696,117	\$ 893,825	\$ 1,358,939	\$ 1,016,761
Ratio of earnings to fixed charges(2).....	1.1	1.2	1.3	1.4	1.2
Total assets(3).....	\$68,129,527	\$86,259,343	\$107,024,173	\$152,910,362	\$163,749,327
Long-term borrowings(4).....	\$ 6,341,559	\$ 7,964,424	\$ 10,871,100	\$ 13,468,900	\$ 14,863,383
Stockholders' equity....	\$ 3,225,430	\$ 3,818,088	\$ 4,569,104	\$ 5,485,913	\$ 5,817,545

</TABLE>

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- (1) 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."
- (2) 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 and that portion of rentals estimated to be representative of the interest factor.
- (3) During 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.
- (4) 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 December 30, 1994, \$557,776,000 of bank loans and \$14,758,830,000 of commercial paper were outstanding. In addition, certain of the Company's subsidiaries lend securities and enter into repurchase agreements to obtain financing. At December 30, 1994, cash deposits for securities loaned and securities sold under agreements to repurchase amounted to \$2,180,186,000 and \$51,864,594,000, respectively.

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

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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 (R) accounts, a product with fees and transaction limits based on asset levels, and increased revenues from the ML Consults (R) 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.

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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.

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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.

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DESCRIPTION OF DEBT SECURITIES

Unless otherwise specified in a Prospectus Supplement, the Senior Debt Securities are to be issued under an indenture (the "Chemical Indenture"), dated as of April 1, 1983, as amended and restated, between the Company and Chemical Bank (successor by merger to Manufacturers Hanover Trust Company), as trustee or issued under an indenture (the "Chase Indenture"), dated as of October 1, 1993 between the Company and The Chase Manhattan Bank, N.A. as trustee (each, a "Senior Debt Trustee"). The Chemical Indenture and the Chase Indenture are referred to herein as the "Senior Indentures". The Subordinated Debt Securities are to be issued under an indenture (the "Subordinated Indenture"), to be dated as of August 1, 1991, between the Company and Chemical Bank, as trustee (the "Subordinated Debt Trustee"). The Senior Debt Securities and Subordinated Debt Securities may also be issued under one or more other indentures (each, a "Subsequent Indenture") and have one or more other trustees (each, a "Subsequent Trustee"). Any Subsequent Indenture relating to Senior Debt Securities will have terms and conditions identical in all material respects to the above-referenced Senior Indentures and any Subsequent Indenture relating to Subordinated Debt Securities will have terms and conditions identical in all material respects to the above-referenced Subordinated Indenture, including, but not limited to, the applicable terms and conditions described below. Any Subsequent Indenture relating to a series of Debt Securities, and the trustee with respect thereto, will be identified in the applicable Prospectus Supplement. The Senior Indentures, the Subordinated Indenture and any Subsequent Indentures (whether senior or subordinated) are referred to herein as the "Indentures"; and the Senior Debt Trustees, the Subordinated Debt Trustee and any Subsequent Trustees are referred to herein as the "Trustees". A copy of each Indenture is filed (or, in the case of a Subsequent Indenture, will be filed) as an exhibit to the registration statements relating to the Securities (collectively, the "Registration Statement"). The following summaries of certain provisions of the Indentures do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the respective Indentures, including the definitions therein of certain terms.

GENERAL

Each Indenture provides that Debt Securities (Senior Debt Securities in the case of the Senior Indentures or a Subsequent Indenture for Senior Debt Securities, and Subordinated Debt Securities in the case of the Subordinated Indenture or a Subsequent Indenture for Subordinated Debt Securities) may be issued thereunder, without limitation as to aggregate principal amount, in one or more series, by the Company from time to time upon satisfaction of certain conditions precedent, including the delivery by the Company to the applicable Trustee of a resolution of the Board of Directors, or the Executive Committee thereof, of the Company which fixes or provides for the establishment of terms of such Debt Securities, including: (1) the aggregate principal amount of such Debt Securities and whether there is any limit upon the aggregate principal amount of such Debt Securities that may be subsequently issued; (2) the date on which such Debt Securities will mature; (3) the principal amount payable with respect to such Debt Securities whether at maturity or upon earlier acceleration, and whether such principal amount will be determined with reference to an index, formula or other method; (4) the rate or rates per annum (which may be fixed or variable) at which such Debt Securities will bear interest, if any; (5) the dates on which such interest, if any, will be payable; (6) the provisions for redemption of such Debt Securities, if any, the redemption price and any remarketing arrangements relating thereto; (7) the sinking fund requirements, if any, with respect to such Debt Securities; (8) whether such Debt Securities are denominated or provide for payment in United States dollars or a foreign currency or units of two or more of such foreign currencies; (9) the form (registered or bearer or both) in which such Debt Securities may be issued and any restrictions applicable to the exchange

of one form for another and to the offer, sale and delivery of such Debt Securities in either form; (10) whether and under what circumstances the Company will pay additional amounts ("Additional Amounts") in respect of such Debt Securities held by a person who is not a U.S. person (as defined in the Prospectus Supplement, as applicable) in respect of specified taxes, assessments or other governmental charges and whether the Company has the option to redeem the affected Debt Securities rather than pay such Additional Amounts; (11) whether such Debt Securities are to be issued in global form; (12) the title of the Debt Securities and the series of which such Debt Securities shall be a part; and (13) the denominations of such Debt Securities. Reference is made to

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the Prospectus Supplement for the terms of the Debt Securities being offered thereby, including whether such Debt Securities are Senior Debt Securities or Subordinated Debt Securities. Debt Securities may also be issued under the Indentures upon the exercise of Debt Warrants. See "Description of Debt Warrants". Nothing in the Indentures or in the terms of the Debt Securities will prohibit the issuance of securities representing subordinated indebtedness that is senior or junior to the Subordinated Debt Securities.

The Debt Securities will be issued, to the extent provided in the Prospectus Supplement, in fully registered form without coupons, and/or in bearer form with or without coupons, and in denominations set forth in the Prospectus Supplement. No service charge will be made for any registration of transfer of registered Debt Securities or exchange of Debt Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charges that may be imposed in connection therewith. Each Indenture provides that Debt Securities issued thereunder may be issued in global form. If any series of Debt Securities is issuable in global form, the applicable Prospectus Supplement will describe the circumstances, if any, under which beneficial owners of interest in any such global Debt Securities may exchange such interests for Debt Securities of such series and of like tenor and principal amount in any authorized form and denomination. Principal of, and any premium, Additional Amounts and interest on, a global Debt Security will be payable in the manner described in the applicable Prospectus Supplement.

The provisions of the Indentures described above provide the Company with the ability, in addition to the ability to issue Debt Securities with terms different from those of Debt Securities previously issued, to "reopen" a previous issue of a series of Debt Securities and issue additional Debt Securities of such series.

The Senior Debt Securities will be unsecured and will rank pari passu with all other unsecured and unsubordinated indebtedness of the Company. The Subordinated Debt Securities will be unsecured and will be subordinated to all existing and future Senior Indebtedness (as defined below) of the Company. Since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including the Holders of the Debt Securities), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934 and under rules of certain exchanges and other regulatory bodies.

Principal and interest, premium and Additional Amounts, if any, will be payable in the manner, at the places and subject to the restrictions set forth in the applicable Indenture, the Debt Securities and the Prospectus Supplement relating thereto, provided that payment of any interest and any Additional Amounts may be made at the option of the Company by check mailed to the holders of registered Debt Securities at their registered addresses.

Debt Securities may be presented for exchange, and registered Debt Securities may be presented for transfer, in the manner, at the places and subject to the restrictions set forth in the applicable Indenture, the Debt Securities and the Prospectus Supplement relating thereto. Debt Securities in bearer form and the coupons, if any, pertaining thereto will be transferable by delivery. No service charge will be made for any transfer or exchange of Debt Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

MERGER AND CONSOLIDATION

The Company may consolidate or merge with or into any other corporation, and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that (i) the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a state thereof and shall assume payment of the principal of, and any premium, Additional Amounts or interest on, the Debt Securities and the performance and observance of all of

the covenants and conditions of the Indentures to be performed or observed by the Company, and (ii) the Company or such successor corporation, as the case may be, shall not immediately thereafter be in default under the Indentures.

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MODIFICATION AND WAIVER

Modification and amendment of each Indenture may be effected by the Company and the applicable Trustee with the consent of the Holders of 66 2/3% in principal amount of the Outstanding Debt Securities of each series issued pursuant to such Indenture and affected thereby, provided that no such modification or amendment may, without the consent of the Holder of each Outstanding Debt Security affected thereby, (a) change the Stated Maturity of, or any installment of interest or Additional Amounts on, any Debt Security or any premium payable on the redemption thereof, or change the Redemption Price; (b) reduce the principal amount of, or the interest or Additional Amounts payable on, any Debt Security or reduce the amount of principal which could be declared due and payable prior to the Stated Maturity; (c) change the place or currency of any payment of principal of, or any premium, interest or Additional Amounts on, any Debt Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security; (e) reduce the percentage in principal amount of the Outstanding Debt Securities of any series, the consent of whose Holders is required to modify or amend such Indenture; or (f) modify the foregoing requirements or reduce the percentage of Outstanding Debt Securities necessary to waive any past default to less than a majority. No modification or amendment of the Subordinated Indenture or any Subsequent Indenture for Subordinated Debt Securities may adversely affect the rights of any Holder of Senior Indebtedness without the consent of such Holder. Except with respect to certain fundamental provisions, the Holders of at least a majority in principal amount of Outstanding Debt Securities of any series may, with respect to such series, waive past defaults under the applicable Indenture and waive compliance by the Company with certain provisions of such Indenture.

EVENTS OF DEFAULT

Under each Indenture, the following will be Events of Default with respect to Debt Securities of any series issued thereunder: (a) default in the payment of any interest or Additional Amounts upon any Debt Security of that series when due, continued for 30 days; (b) default in the payment of any principal of or premium, if any, on any Debt Security of that series when due; (c) default in the deposit of any sinking fund payment, when due, in respect of any Debt Security of that series; (d) default in the performance of any other covenant of the Company contained in such Indenture for the benefit of such series or in the Debt Securities of such series, continued for 60 days after written notice as provided in such Indenture; (e) certain events in bankruptcy, insolvency or reorganization; and (f) any other Event of Default provided with respect to Debt Securities of that series. The applicable Trustee or the Holders of 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or such lesser amount as may be provided for in the Debt Securities of that series) of all Outstanding Debt Securities of that series and the interest accrued thereon and Additional Amounts payable in respect thereof, if any, to be due and payable immediately if an Event of Default with respect to Debt Securities of such series shall occur and be continuing at the time of declaration. At any time after a declaration of acceleration has been made with respect to Debt Securities of any series but before a judgment or decree for payment of money due has been obtained by the applicable Trustee, the Holders of a majority in principal amount of the Outstanding Debt Securities of that series may rescind any declaration of acceleration and its consequences, if all payments due (other than those due as a result of acceleration) have been made and all Events of Default have been remedied or waived. Any Event of Default with respect to Debt Securities of any series may be waived by the Holders of a majority in principal amount of all Outstanding Debt Securities of that series, except in a case of failure to pay principal of or premium, if any, or interest or Additional Amounts, if any, on any Debt Security of that series for which payment had not been subsequently made or in respect of a covenant or provision which cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security of such series affected.

The Holders of a majority in principal amount of the Outstanding Debt Securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the applicable Trustee or exercising any trust or power conferred on such Trustee with respect to Debt Securities of such series, provided that such direction shall not be in conflict with any rule of law or the applicable Indenture. Before

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proceeding to exercise any right or power under an Indenture at the direction of such Holders, the applicable Trustee shall be entitled to receive from such Holders reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in complying with any such direction.

The Company will be required to furnish to each Trustee annually a statement as to the fulfillment by the Company of all of its obligations under the applicable Indenture.

SPECIAL TERMS RELATING TO THE SENIOR DEBT SECURITIES

LIMITATIONS UPON LIENS

The Senior Indentures provide that the Company may not, and may not permit any Subsidiary to, create, assume, incur or permit to exist any indebtedness for borrowed money secured by a pledge, lien or other encumbrance (except for certain liens specifically permitted by the Senior Indentures) on the Voting Stock owned directly or indirectly by the Company of any Subsidiary (other than a Subsidiary which, at the time of incurrence of such secured indebtedness, has a net worth of less than \$3,000,000) without making effective provision whereby the Outstanding Senior Debt Securities will be secured equally and ratably with such secured indebtedness.

LIMITATIONS ON DISPOSITION OF VOTING STOCK OF, AND MERGER AND SALE OF ASSETS BY, MLPF&S

The Senior Indentures provide that the Company may not sell, transfer or otherwise dispose of any Voting Stock of MLPF&S or permit MLPF&S to issue, sell or otherwise dispose of any of its Voting Stock, unless, after giving effect to any such transaction, MLPF&S remains a Controlled Subsidiary (defined in the Senior Indentures to mean a corporation more than 80% of the outstanding shares of Voting Stock of which are owned directly or indirectly by the Company). In addition, the Senior Indentures provide that the Company may not permit MLPF&S to (i) merge or consolidate, unless the surviving company is a Controlled Subsidiary, or (ii) convey or transfer its properties and assets substantially as an entirety, except to one or more Controlled Subsidiaries.

SPECIAL TERMS RELATING TO THE SUBORDINATED DEBT SECURITIES

Upon any distribution of assets of the Company resulting from any dissolution, winding up, liquidation or reorganization, payments on Subordinated Debt Securities are to be subordinated to the extent provided in the Subordinated Indenture in right of payment to the prior payment in full of all Senior Indebtedness, but the obligation of the Company to make payments on the Subordinated Debt Securities will not otherwise be affected. No payment on Subordinated Debt Securities may be made at any time when there is a default in the payment of any principal, premium, interest, Additional Amounts or sinking fund of or on any Senior Indebtedness. Holders of Subordinated Debt Securities will be subrogated to the rights of holders of Senior Indebtedness to the extent of payments made on Senior Indebtedness upon any distribution of assets in any such proceedings out of the distributive shares of Subordinated Debt Securities. By reason of such subordination, in the event of a distribution of assets upon insolvency, certain creditors of the Company may recover more, ratably, than Holders of Subordinated Debt Securities.

Senior Indebtedness is defined in the Subordinated Indenture as the principal of, premium, if any, and unpaid interest on (a) indebtedness of the Company (including indebtedness of others guaranteed by the Company), other than the Subordinated Debt Securities, whether outstanding on the date of execution of the Subordinated Indentures or thereafter created, incurred, assumed or guaranteed, (i) for money owing to banks, (ii) for money borrowed from sources other than banks or (iii) in connection with the acquisition by the Company or a subsidiary of assets of any kind except in the ordinary course of business, unless in the instrument creating or evidencing the same or pursuant to which the same is outstanding it is provided that such indebtedness is not superior in right of payment to the Subordinated Debt Securities, and (b) renewals, extensions, modifications and refundings of any such indebtedness. As of December 30, 1994, a total of approximately \$30.5 billion of the Company's indebtedness would have been Senior Indebtedness as so defined.

DESCRIPTION OF DEBT WARRANTS

The Company may issue, together with Debt Securities, Currency Warrants or Index Warrants or separately, Debt Warrants for the purchase of Debt Securities. The Debt Warrants are to be issued under Debt Warrant Agreements (each a "Debt Warrant Agreement") to be entered into between the Company and a bank or trust company, as Debt Warrant Agent (the "Debt Warrant Agent"), all as shall be set forth in the Prospectus Supplement relating to Debt Warrants being offered thereby. A copy of the form of Debt Warrant Agreement, including the form of Warrant Certificates representing the Debt Warrants (the "Debt Warrant Certificates"), reflecting the alternative provisions to be included in the Debt Warrant Agreements that will be entered into with respect to particular offerings of Debt Warrants, is filed as an exhibit to the Registration Statement. The following summaries of certain provisions of the Debt Warrant Agreement and the Debt Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Debt Warrant Agreement and the Debt Warrant Certificates, respectively, including the definitions therein of certain terms.

GENERAL

The applicable Prospectus Supplement will describe the terms of Debt Warrants offered thereby, the Debt Warrant Agreement relating to such Debt Warrants and the Debt Warrant Certificates representing such Debt Warrants, including the following: (1) the designation, aggregate principal amount, price at which such principal amount may be purchased upon exercise and terms of the Debt Securities purchasable upon exercise of such Debt Warrants, including whether such Debt Securities are Senior Debt Securities or Subordinated Debt Securities, and the procedures and conditions relating to the exercise of such Debt Warrants; (2) the designation and terms of any related Debt Securities with which such Debt Warrants are issued, including whether such Debt Securities are Senior Debt Securities or Subordinated Debt Securities, the number of such Debt Warrants issued with each such Debt Security, and the Indenture under which the Debt Securities will be issued; (3) the date, if any, on and after which such Debt Warrants and the related Debt Securities will be separately transferable; (4) the date on which the right to exercise such Debt Warrants shall commence and the date on which such right shall expire (the "Expiration Date"); (5) if the Debt Securities purchasable upon exercise of such Debt Warrants are original issue discount Debt Securities, a discussion of Federal income tax considerations applicable thereto; and (6) whether the Debt Warrants represented by the Debt Warrant Certificates will be issued in registered or bearer form, and, if registered, where they may be transferred and registered.

Debt Warrant Certificates will be exchangeable for new Debt Warrant Certificates of different denominations and Debt Warrants may be exercised at the corporate trust office of the Debt Warrant Agent or any other office indicated in the Prospectus Supplement. Prior to the exercise of their Debt Warrants, holders of Debt Warrants will not have any of the rights of Holders of the Debt Securities purchasable upon such exercise and will not be entitled to payments of principal of, and any premium, Additional Amounts or interest on, the Debt Securities purchasable upon such exercise.

EXERCISE OF DEBT WARRANTS

Each Debt Warrant will entitle the Holder to purchase for cash such principal amount of Debt Securities at such exercise price as shall in each case be set forth in, or be determinable as set forth in, the Prospectus Supplement relating to the Debt Warrants offered thereby. Debt Warrants may be exercised at any time up to the close of business on the Expiration Date set forth in the Prospectus Supplement relating to the Debt Warrants offered thereby. After the close of business on the Expiration Date, unexercised Debt Warrants will become void.

Debt Warrants may be exercised as set forth in the Prospectus Supplement relating to the Debt Warrants offered thereby. Upon receipt of payment and the Debt Warrant Certificate properly completed and duly executed at the corporate trust office of the Debt Warrant Agent or any other office indicated in the Prospectus Supplement, the Company will, as soon as practicable, forward the Debt Securities purchasable

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upon such exercise. If less than all of the Debt Warrants represented by such Debt Warrant Certificate are exercised, a new Debt Warrant Certificate will be issued for the remaining amount of Debt Warrants.

DESCRIPTION OF CURRENCY WARRANTS

The Company may issue, together with Debt Securities, Debt Warrants or Index Warrants or separately, Currency Warrants either in the form of Currency Put Warrants entitling the Holders thereof to receive from the Company the cash settlement value in U.S. dollars of the right to sell a specified amount of a specified foreign currency or currency units for a specified amount of U.S. dollars, or in the form of Currency Call Warrants entitling the Holders thereof to receive from the Company the cash settlement value in U.S. dollars of the right to purchase a specified amount of a specified foreign currency or units of two or more currencies for a specified amount of U.S. dollars. The Currency Warrants are to be issued under a Currency Put Warrant Agreement or a Currency Call Warrant Agreement, as applicable (each a "Currency Warrant Agreement"), to be entered into between the Company and a bank or trust company, as Currency Warrant Agent (the "Currency Warrant Agent"), all as shall be set forth in the applicable Prospectus Supplement. Copies of the forms of Currency Put Warrant Agreement and Currency Call Warrant Agreement, including the forms of global Warrant Certificates representing the Currency Put Warrants and Currency Call Warrants (the "Currency Warrant Certificates"), reflecting the provisions to be included in the Currency Warrant Agreements that will be entered into with respect to particular offerings of Currency Warrants, are filed as exhibits to the Registration Statement. The following summaries of certain provisions of the Currency Warrant Agreements and the Currency Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Currency Warrant Agreements and the Currency Warrant Certificates, respectively, including the definitions therein

of certain terms.

GENERAL

The applicable Prospectus Supplement will describe the terms of Currency Warrants offered thereby, the Currency Warrant Agreement relating to such Currency Warrants and the Currency Warrant Certificates representing such Currency Warrants, including the following: (1) whether such Currency Warrants shall be Currency Put Warrants, Currency Call Warrants, or both; (2) the formula for determining the cash settlement value of each Currency Warrant; (3) the procedures and conditions relating to the exercise of such Currency Warrants; (4) the circumstances which will cause the Currency Warrants to be deemed to be automatically exercised; (5) any minimum number of Currency Warrants which must be exercised at any one time, other than upon automatic exercise; and (6) the date on which the right to exercise such Currency Warrants shall commence and the date on which such right shall expire (the "Expiration Date"), provided that the commencement date and the Expiration Date may be the same date.

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Except as may otherwise be provided in an applicable Prospectus Supplement, the Currency Warrants will be issued in the form of global Currency Warrant Certificates, registered in the name of a depository or its nominee. Beneficial owners will not be entitled to receive definitive certificates representing Currency Warrants. Ownership of a Currency Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains a beneficial owner's account. In turn, the total number of Currency Warrants held by an individual brokerage firm for its clients will be maintained on the records of the depository in the name of such brokerage firm or its agent. Transfer of ownership of any Currency Warrant will be effected only through the selling beneficial owner's brokerage firm.

EXERCISE OF CURRENCY WARRANTS

Each Currency Warrant will entitle the Holder to the cash settlement value of such Currency Warrant on the applicable Exercise Date, in each case as such terms will be defined in the applicable Prospectus Supplement. If a Currency Warrant has more than one exercise date and is not exercised prior to 1:30 P.M., New York City time, on the fifth New York Business Day preceding the Expiration Date, Currency Warrants will be deemed automatically exercised.

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LISTING

Each issue of Currency Warrants will be listed on a national securities exchange, subject only to official notice of issuance, as a condition of sale of any such Currency Warrants. In the event that the Currency Warrants are delisted from, or permanently suspended from trading on, such exchange, the Expiration Date for such Currency Warrants will be the date such delisting or trading suspension becomes effective and Currency Warrants not previously exercised will be deemed automatically exercised on such Expiration Date. The applicable Currency Warrant Agreement will contain a covenant of the Company not to seek delisting of the Currency Warrants, or suspension of their trading, on such exchange.

DESCRIPTION OF INDEX WARRANTS

The Company may issue from time to time Index Warrants consisting of put warrants (the "Index Put Warrants") or call warrants (the "Index Call Warrants"). The Index Warrants will entitle the holders to receive from the Company a payment or delivery, subject to applicable law, determined by reference to decreases (in the case of Index Put Warrants) or to increases (in the case of Index Call Warrants) in the level of an index or portfolio based on one or more equity or debt securities (including the price or yield of such securities), any statistical measure of economic or financial performance (including any consumer price, currency or mortgage index) or the price or value of any commodity or any combination thereof (the "Index"). Unless otherwise specified in the accompanying Prospectus Supplement, payments, if any, upon exercise (or deemed exercise) of the Index Warrants will be made in U.S. dollars. The Index Warrants will be offered on terms to be determined at the time of sale.

GENERAL

The applicable Prospectus Supplement will describe the Index Warrant Agreement or Index Warrant Trust Indenture (each as defined below), as the case may be, relating to the Index Warrants being offered thereby and the terms of such Index Warrants, including, without limitation: (i) whether the Index Warrants to be issued will be Index Put Warrants, Index Call Warrants or both; (ii) the aggregate number and initial public offering price or purchase price; (iii) the Index for such Index Warrants; (iv) whether the Index Warrants will be deemed exercised as of a specified date or whether the Index Warrants may be exercised during a period and the date on which the right to exercise such

Index Warrants commences and the date on which such right expires; (v) the manner in which such Index Warrants may be exercised and any restrictions on, or other special provisions relating to, the exercise of such Index Warrants; (vi) the minimum number, if any, of such Index Warrants exercisable at any one time; (vii) the maximum number, if any, of such Index Warrants that may, subject to the Company's election, be exercised by all Index Warrantholders (or by any person or entity) on any day; (viii) any provisions permitting an Index Warrantholder to condition an exercise notice on the absence of certain specified changes in the level of the applicable Index after the exercise date, any provisions permitting the Company to suspend exercise of such Index Warrants based on market conditions or other circumstances and any other special provision relating to the exercise of such Index Warrants; (ix) any provisions for the automatic exercise of such Index Warrants other than at expiration; (x) any provisions permitting the Company to cancel such Index Warrants upon the occurrence of certain events; (xi) any additional circumstances which would constitute an Event of Default with respect to such Index Warrants; (xii) the method of determining (a) the payment or delivery, if any, to be made in connection with the exercise or deemed exercise of such Index Warrants (the "Settlement Value"), (b) the minimum payment or delivery, if any, to be made upon expiration of such Index Warrants (the "Minimum Expiration Value"), (c) the payment or delivery to be made upon the exercise of any right which the Company may have to cancel such Index Warrants and (d) the value of the Index; (xiii) in the case of Index Warrants relating to an Index for which the trading prices of underlying securities, commodities or rates are expressed in a foreign currency, the method of converting amounts in the relevant foreign currency or currencies into U.S. dollars (or such other currency or composite currency in which the Index Warrants are payable); (xiv) the method of providing for a substitute index or otherwise determining the payment or delivery, if any, to be made in connection with the exercise of such Index Warrants if the Index changes or ceases to be made available by

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its publisher; (xv) the time or times at which payment or delivery, if any, will be made in respect of such Index Warrants following exercise or deemed exercise; (xvi) the national securities exchange on which such Index Warrants will be listed, if any; (xvii) any provisions for issuing such Index Warrants in other than book-entry form; (xviii) if such Index Warrants are not issued in book-entry form, the place or places at which payment or delivery on cancellation, if any, and the Minimum Expiration Value, if any, of such Index Warrants is to be made by the Company; (xix) certain U.S. federal income tax consequences relating to such Index Warrants; and (xx) other specific provisions.

Except as otherwise provided in the applicable Prospectus Supplement, each issue of Index Warrants will contain the terms set forth below.

The Index Warrants which are issued without a Minimum Expiration Value will be issued under one or more index warrant agreements (each, an "Index Warrant Agreement") to be entered into between the Company and a bank or trust company, as warrant agent (the "Index Warrant Agent"), all as described in the Prospectus Supplement relating to such Index Warrants. The Index Warrant Agent will act solely as the agent of the Company under the applicable Index Warrant Agreement and will not assume any obligation or relationship of agency or trust for or with any Index Warrantholders. A single bank or trust company may act as Index Warrant Agent for more than one issue of Index Warrants.

The Index Warrants which are issued with a Minimum Expiration Value will be issued under one or more index warrant trust indentures (each an "Index Warrant Trust Indenture") to be entered into between the Company and a corporation (or other person permitted to so act by the Trust Indenture Act of 1939, as amended from time to time (the "Trust Indenture Act")), to act as trustee (the "Index Warrant Trustee"), all as described in the Prospectus Supplement relative to such Index Warrants. Any Index Warrant Trust Indenture will be qualified under the Trust Indenture Act. To the extent allowed by the Trust Indenture Act, a single qualified corporation may act as Index Warrant Trustee for more than one issue of Index Warrants.

Forms of Index Warrant Agreement and Index Warrant Trust Indenture and the respective global Index Warrant Certificates related thereto are filed as exhibits to the Registration Statement. The summaries herein of certain provisions of the Index Warrant Agreement, the Index Warrant Trust Indenture and global Index Warrant Certificates do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Index Warrant Agreement, the Index Warrant Trust Indenture and global Index Warrant Certificates, respectively.

The Company will have the right to "reopen" a previous issue of Index Warrants and to issue additional Index Warrants of such issue without the consent of any Index Warrantholder.

The Index Warrants involve a high degree of risk, including the risk that the Index Warrants will expire worthless except for the Minimum Expiration Value, if any, of such Index Warrants. Investors should therefore be prepared to sustain a total loss of the purchase price of the Index Warrants (except for

the Minimum Expiration Value, if applicable). Investors who consider purchasing Index Warrants should be experienced with respect to options and option transactions and reach an investment decision only after carefully considering the suitability of the Index Warrants in light of their particular circumstances and the information set forth below and under "Description of Index Warrants" as well as additional information contained in the Prospectus Supplement relating to such Index Warrants.

Unless otherwise provided in the Prospectus Supplement, each Index Warrant will entitle Index Warrantholders to receive from the Company upon exercise the Settlement Value of such Index Warrant. Certain Index Warrants issued pursuant to an Index Warrant Trust Indenture will, if specified in the Prospectus Supplement, entitle the Index Warrantholder to receive from the Company, under certain circumstances specified in the Prospectus Supplement, a payment or delivery equal to the greater of the applicable Settlement Value and a Minimum Expiration Value of such Index Warrants. In addition, certain Index Warrants will, if specified in the Prospectus Supplement, entitle Index Warrantholders to receive from the Company a certain payment or delivery upon cancellation of the Index Warrants by the Company, upon

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the occurrence of specified events. In addition, if so specified in the Prospectus Supplement, following the occurrence of an extraordinary event, the Settlement Value of an Index Warrant may, at the option of the Company, be determined on a different basis, including in connection with automatic exercise at expiration.

Unless otherwise specified in the related Prospectus Supplement, the Index Warrants will be deemed to be automatically exercised upon expiration or such earlier date that may be specified. Upon such automatic exercise, Index Warrantholders will be entitled to receive a payment or delivery equal to the Settlement Value of the Index Warrants, except that holders of Index Warrants having a Minimum Expiration Value will be entitled to receive a payment or delivery equal to the greater of such Settlement Value and the applicable Minimum Expiration Value. The Minimum Expiration Value may be either a predetermined payment or delivery or a payment or delivery that varies during the term of the Index Warrants in accordance with a schedule or formula. Any Minimum Expiration Value applicable to an issue of Index Warrants, as well as any additional circumstances resulting in the automatic exercise of such Index Warrants, will be specified in the related Prospectus Supplement.

If so specified in the Prospectus Supplement, the Index Warrants may be canceled by the Company, or the exercise or valuation of, or payment or delivery for, such Index Warrants may be delayed or postponed upon the occurrence of an extraordinary event. Any extraordinary events relating to an issue of Index Warrants will be set forth in the related Prospectus Supplement. Upon cancellation, the related Index Warrantholders will be entitled to receive only the applicable payment or delivery on cancellation specified in such Prospectus Supplement. The payment or delivery on cancellation may be either a predetermined payment or delivery or a payment or delivery that varies during the term of the Index Warrants in accordance with a schedule or formula.

If the Company defaults with respect to any of its obligations under Index Warrants which are issued with a Minimum Expiration Value pursuant to an Index Warrant Trust Indenture, such default may be waived by the Index Warrantholders of a majority in interest of all outstanding Index Warrants, except a default in the payment or delivery of the Settlement Value, Minimum Expiration Value or cancellation payment or delivery (if applicable) on such Index Warrants or in respect of a covenant or provision of the applicable Index Warrant Trust Indenture which cannot be modified or amended without the consent of the Index Warrantholder of each outstanding Index Warrant affected.

The Index Warrants are unsecured contractual obligations of the Company and will rank pari passu with the Company's other unsecured contractual obligations and with the Company's unsecured and unsubordinated debt. Since the Company is a holding company, the right of the Company, and hence the right of creditors of the Company (including the Holders of the Debt Securities), to participate in any distribution of the assets of any subsidiary upon its liquidation or reorganization or otherwise is necessarily subject to the prior claims of creditors of the subsidiary, except to the extent that claims of the Company itself as a creditor of the subsidiary may be recognized. In addition, dividends, loans and advances from certain subsidiaries, including MLPF&S, to the Company are restricted by net capital requirements under the Securities Exchange Act of 1934 and under rules of certain exchanges and other regulatory bodies.

Certain special United States federal income tax considerations may be applicable to instruments such as the Index Warrants. The related Prospectus Supplement will describe such tax considerations. The summary of United States federal income tax considerations contained in the Prospectus Supplement will be presented for informational purposes only, however, and will not be intended as legal or tax advice to prospective purchasers. Prospective purchasers of Index Warrants are urged to consult their own tax advisors prior to any acquisition of Index Warrants.

BOOK-ENTRY PROCEDURES AND SETTLEMENT

Except as may otherwise be provided in an applicable Prospectus Supplement, Index Warrants will be issued in book-entry form and represented by global Index Warrants, registered in the name of a depository or its nominee. Except as may otherwise be provided in an applicable Prospectus Supplement, Index

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Warrantheolders will not be entitled to receive definitive certificates representing Index Warrants, unless the depository is unwilling or unable to continue as depository or the Company decides to have the Index Warrants represented by definitive certificates. A beneficial owner's interest in an Index Warrant represented by a global Index Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains such beneficial owner's account. In turn, the total number of Index Warrants held by an individual brokerage firm or other entity for its clients will be maintained on the records of the depository in the name of such brokerage firm or other entity or its agent.

LISTING

Unless otherwise indicated in the Prospectus Supplement, the Index Warrants will be listed on a national securities exchange as specified in the Prospectus Supplement. It is expected that such exchange will cease trading an issue of Index Warrants at the close of business on the related expiration date of such Index Warrants.

MODIFICATION

Any Index Warrant Agreement or Index Warrant Trust Indenture and the terms of the related Index Warrants may be amended by the Company and the Index Warrant Agent or Index Warrant Trustee, as the case may be (which amendment shall take the form of a supplemental index warrant agreement or supplemental index warrant trust indenture (collectively referred to as "Supplemental Agreements")), without the consent of the holders of any Index Warrants, for the purpose of (i) curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or of making any other provisions with respect to matters or questions arising under the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, which shall not be inconsistent with the provisions thereof or of the Index Warrants, (ii) evidencing the succession of another corporation to the Company and the assumption by any such successor of the covenants of the Company contained in the Index Warrant Agreement or the Index Warrant Trust Indenture, as the case may be, and the Index Warrants, (iii) appointing a successor depository, (iv) evidencing and providing for the acceptance of appointment by a successor Index Warrant Agent or Index Warrant Trustee with respect to the Index Warrants, as the case may be, (v) adding to the covenants of the Company, for the benefit of the Index Warrantheolders or surrendering any right or power conferred upon the Company under the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, (vi) issuing Index Warrants in definitive form, or (vii) amending the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, in any manner which the Company may deem to be necessary or desirable and which will not materially and adversely affect the interests of the Index Warrantheolders.

The Company and the Index Warrant Agent may also amend any Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, and the terms of the related Index Warrants (which amendment shall take the form of a Supplemental Agreement) with the consent of the Index Warrantheolders holding not less than 66 2/3% in number of the then outstanding unexercised Index Warrants affected by such amendment, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, or of modifying in any manner the rights of the Index Warrantheolders; provided that no such amendment that (i) changes the determination of the Settlement Value or the payment or delivery to be made on cancellation, if any, or Minimum Expiration Value, if any, of the Index Warrants (or any aspects of such determination) so as to reduce the payment or delivery to be made upon exercise or deemed exercise, (ii) shortens the period of time during which the Index Warrants may be exercised, or otherwise materially and adversely affects the exercise rights of the Index Warrantheolders or (iii) reduces the number of outstanding Index Warrants, the consent of whose holders is required for amendment of the Index Warrant Agreement, the Index Warrant Trust Indenture or the terms of the related Index Warrants, may be made without the consent of each Index Warrantheolder affected thereby.

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EVENT OF DEFAULT

Certain events in bankruptcy, insolvency or reorganization of the Company will constitute an Event of Default with respect to Index Warrants having a

Minimum Expiration Value which are issued under an Index Warrant Trust Indenture. Upon the occurrence of an Event of Default, the holders of 25% of unexercised Index Warrants may elect to receive a settlement payment or delivery for such unexercised Index Warrants, which will immediately become due to the Index Warrant holders upon such election in an amount equal to the market value of such Index Warrants (assuming the Company's ability to satisfy its obligations under such Index Warrants as they would become due) as of the date the Company is notified of the intended liquidation, as determined by a nationally recognized securities broker-dealer unaffiliated with the Company and mutually selected by the Company and the Index Warrant Trustee.

MERGER, CONSOLIDATION, SALE, LEASE OR OTHER DISPOSITIONS

The Company may consolidate or merge with or into any other corporation and the Company may sell, lease or convey all or substantially all of its assets to any corporation, provided that (i) the corporation (if other than the Company) formed by or resulting from any such consolidation or merger or which shall have received such assets shall be a corporation organized and existing under the laws of the United States of America or a State thereof and shall assume the Company's obligations in respect of the payment or delivery of the Settlement Value (or any Minimum Expiration Value or cancellation payment or delivery, if applicable) with respect to all the unexercised Index Warrants and the performance and observance of all of the covenants and conditions of the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be, to be performed or observed by the Company, and (ii) the Company or such successor corporation, as the case may be, shall not immediately be in default under the Index Warrant Agreement or Index Warrant Trust Indenture, as the case may be.

ENFORCEABILITY OF RIGHTS BY INDEX WARRANTHOLDERS

Any Index Warrant holder may, without the consent of the related Index Warrant Agent, enforce by appropriate legal action, in and for its own behalf, its right to exercise, and receive payment or delivery for, its Index Warrants.

PLAN OF DISTRIBUTION

The Company may sell Securities (i) through MLPF&S as agent, (ii) to the public through, or through underwriting syndicates managed by, one or more of the firms named on the cover page of this Prospectus or (iii) directly to purchasers. The Prospectus Supplement with respect to the Securities of a particular series describes the terms of the offering of such Securities, including the name of the agent or the name or names of any underwriters, the public offering or purchase price, any discounts and commissions to be allowed or paid to the agent or underwriters, all other items constituting underwriting compensation, the discounts and commissions to be allowed or paid to dealers, if any, and the exchanges, if any, on which the Securities will be listed. Only the agents or underwriters so named in the Prospectus Supplement are agents or underwriters in connection with the Securities offered thereby. Under certain circumstances, the Company may repurchase Securities and reoffer them to the public as set forth above. The Company may also arrange for repurchases and resales of such Securities by dealers.

If so indicated in the Prospectus Supplement, the Company will authorize underwriters to solicit offers by certain institutions to purchase Debt Securities from the Company pursuant to Delayed Delivery Contracts providing for payment and delivery on the date stated in the Prospectus Supplement. Each such contract will be for an amount not less than, and, unless the Company otherwise agrees, the aggregate principal amount of Debt Securities sold pursuant to such contracts shall not be more than, the respective amounts stated in the Prospectus Supplement. Institutions with whom such contracts, when authorized, may

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be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions, but shall in all cases be subject to the approval of the Company. Delayed Delivery Contracts will not be subject to any conditions except that the purchase by an institution of the Debt Securities covered thereby shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject.

The Company has agreed to indemnify the agent and the several underwriters against certain civil liabilities, including liabilities under the Securities Act of 1933 (the "Act"), or contribute to payments the agent or the underwriters may be required to make in respect thereof.

The distribution of Securities 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.

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 SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFER MADE BY THIS PROSPECTUS SUPPLEMENT AND THE 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 UNDERWRITER. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT AND THE 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 SUPPLEMENT AND THE PROSPECTUS DO 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.

1,500,000
GREATER OF U.S. DOLLAR/DEUTSCHE MARK--U.S. DOLLAR/JAPANESE YEN
PUT CURRENCY WARRANTS,
EXPIRING MAY 15, 1997

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

, 1995

