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MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND INC

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MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.

Semi-Annual Report February 28, 1994

This report, including the financial information herein, is transmitted to the shareholders of Merrill Lynch High Income Municipal Bond Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report. Past performance results shown in this report should not be considered a representation of future performance.

Merrill Lynch High Income
Municipal Bond Fund, Inc.
Box 9011
Princeton, NJ
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MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.

DEAR SHAREHOLDER

For the six-month period ended February 28, 1994, Merrill Lynch High Income Municipal Bond Fund, Inc. earned \$0.322 per share income dividends, representing a net annualized yield of 5.73%, based on a per share net asset value of \$11.32 as of February 28, 1994. Over the same period, the Fund's total investment return was +2.38%, based on a change in per share net asset value from \$11.44 to \$11.32, and assuming reinvestment of \$0.367 per share income dividends and \$0.026 per share capital gains distributions.

The Environment

Inflationary expectations changed sharply during the February quarter. Following better-than-expected economic results, Federal Reserve Board Chairman Alan Greenspan indicated in Congressional testimony in January that continued strong expansion of the economy would lead the central bank to tighten monetary policy in an effort to control inflation. On February 4, 1994, the central bank broke with tradition and publicly announced a modest increase in short-term interest rates.

Rather than view the Federal Reserve Board's action as a preemptive strike against inflation, fixed-income investors focused on Chairman Greenspan's implicit promise of further tightening should the rate of inflation accelerate, and bond prices declined sharply. The setback in the bond market was also reflected in greater stock market volatility.

In the weeks ahead, investors will continue to gauge the pace of the economic expansion and watch for signs of an overheating economy that could prompt successive Federal Reserve Board actions to raise short-term interest rates. At this time, there is little evidence that the rate of inflation will increase rapidly. Job growth is sluggish, and new claims for unemployment insurance have trended higher since the beginning of the year. Commodity prices have risen somewhat, but in many cases these increases are occurring from very depressed levels. Therefore, although the secular long-term trend toward lower interest rates may be over, it is not yet certain whether the pace of economic activity will accelerate to the point where extensive Federal Reserve Board tightening will be necessary to contain inflation.

The Municipal Market

Yields on long-term tax-exempt securities exhibited considerable volatility during the three months ended February 28, 1994. Initially, municipal bond yields resumed their earlier decline and in mid-December reached 5.53% as measured by the Bond Buyer Revenue Bond Index. Tax-exempt yields rose slightly for the remainder of 1993 before increasing more substantially in 1994. During the

February quarter, long-term municipal bond yields increased by approximately 15 basis points (0.15%) to 5.88%. Over the same period, however, US Treasury bond yields rose approximately 30 basis points to 6.70% at the end of February. This outperformance by municipal bonds is likely to be the dominant theme of much of 1994.

During recent months, taxable yields have become volatile in reaction to the inherent conflicts between the strong economic recovery seen in late 1993 and early 1994 and continued low inflationary pressures. While tax-exempt yields have reacted to these conflicts, the municipal bond market has also focused on the very strong technical factors supporting lower municipal bond yields. During the past 12 months, municipalities issued over \$284 billion in bonds, an increase of over 17% versus a year ago. Much of this increase has been the result of municipalities refinancing existing higher-coupled debt. At current yield levels, few of these issues will remain to be refunded. This has led to estimates of municipal bond issuance declining to approximately \$175 billion for all of 1994. Over \$290 billion in long-term tax-exempt bonds were issued during 1993. Thus far this year, this expected decline in issuance has occurred. So far in 1994, new-issue supply has fallen approximately 20% compared to the same period last year.

In addition to this dramatic decline in issuance, investor demand is expected to increase in the coming year. This demand should be generated by a number of factors, with a recent increase in marginal Federal income tax rates perhaps the dominant immediate factor. Also, bond calls and early redemptions are expected to increase significantly in the coming quarters and last at least into early 1995. The combination of declining new-issue volume and rising numbers of bonds being redeemed prior to their stated maturities will eventually lead to a net decline in the number of bonds outstanding. In such a scenario, investor demand rises as bondholders are forced to continually purchase new municipal bonds to replace their previous holdings.

The outlook for the municipal market is positive. While the historic declines in yields seen last year are unlikely to be repeated, the strong technical structure within the tax-exempt market would easily support the retracing of much of the recent increase in bond yields. At the very least, should interest rates continue to rise in response to continued strong economic growth and a resurgence in inflationary pressures, municipal bond price deterioration should continue to be minimal in comparison to taxable investment alternatives.

Portfolio Strategy

During the quarter ended February 28, 1994, the Fund's portfolio strategy and composition remained consistent as we continued to focus on generating an attractive yield. We purchased approximately \$13 million in high-yielding tax-exempt securities bearing an average yield of 7%. We took profits on those holdings deemed to have attained full valuation and subsequently invested these proceeds primarily in similarly rated securities that offered a better yield and which were considered to be of higher credit quality by our own credit analysts.

We intend to maintain the Fund's cash reserve position below 5% of net assets. The Fund continues to grow at a moderate and sustainable pace since new subscriptions have more than kept pace with the results of recent quarterly tender offers. Looking forward, we will continue to search the marketplace for attractive high-yield products as a means to further seek to enhance the Fund's performance.

We appreciate your ongoing interest in Merrill Lynch High Income Municipal Bond Fund, Inc., and we look forward to serving your investment needs and objectives in the months and years to come.

Sincerely,

(Arthur Zeikel)
Arthur Zeikel
President

(Vincent R. Giordano)
Vincent R. Giordano
Vice President and Portfolio Manager

March 29, 1994

PORTFOLIO ABBREVIATIONS

To simplify the listings of Merrill Lynch High Income Municipal Bond Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below and at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
CPCR	Collateralized Pollution Control Revenue Bonds
DATES	Daily Adjustable Tax-Exempt Securities
GO	General Obligation Bonds
HFA	Housing Finance Authority
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
INFLOS	Inverse Floating Rate Municipal Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family
UT	Unlimited Tax
VRDN	Variable Rate Demand Notes

<TABLE>
SCHEDULE OF INVESTMENTS (in Thousands)
<CAPTION>

State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<S>	<C>	<S>	<C>
Alabama--0.4%	B+	NR	\$1,000	Brewton, Alabama, Industrial Development Board, PCR, Refunding (Container Corporation American Project), 8% due 4/01/2009	\$ 1,004
Arizona--1.9%	NR	Ba	3,000	Arizona Health Facilities Authority, Hospital Systems Revenue Refunding Bonds (Saint Luke's Health Systems), 7.25% due 11/01/2014	3,137
	NR	NR	1,280	Pima County, Arizona, IDA, Revenue Bonds (La Hacienda Project), 9.50% due 12/01/2016	1,152
California--2.1%	NR	NR	1,500	Long Beach, California, Redevelopment Agency, M/F Housing Revenue Refunding Bonds (Pacific Court Apartments), AMT, Issue B, 6.80% due 9/01/2013	1,476
	NR	NR	3,000	Orange County, California, Community Facilities Special Tax Bonds (Aliso Viejo No 88-1), Series A, 7.35% due 8/15/2018	3,227
Colorado--6.0%	BBB+	Baa1	2,000	Colorado Health Facilities Authority, Hospital Revenue Bonds (P/SL Healthcare System Project), Series A, 6.875% due 2/15/2023	2,108
	BBB-	NR	1,000	Colorado Health Facilities Financial Authority, Revenue Refunding Bonds (National Jewish Center Immunization Project), 6.875% due 2/15/2012	1,038
	BBB	Baa1	900	Denver, Colorado, City and County Airport Revenue Bonds: AMT, Series A, 8% due 11/15/2025	997
	BBB	Baa1	2,000	AMT, Series B, 7.50% due 11/15/2025	2,125
	BBB	Baa1	2,000	AMT, Series D, 7.75% due 11/15/2013	2,368
	BBB	Baa1	2,000	Series A, 7.25% due 11/15/2025	2,183
	NR	NR	2,000	Mountain Village Metropolitan District, Colorado, Refunding Bonds (San Miguel County), UT, 8.10% due 12/01/2011	2,242
	A-1	NR	300	Pitkin County, Colorado, IDR, Refunding (Aspen Skiing Company Project), Series A, VRDN, 2.25% due 4/01/2014 (a)	300

</TABLE>
<TABLE>
SCHEDULE OF INVESTMENTS (continued) (in Thousands)
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State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<S>	<C>	<S>	<C>
Connecticut--3.1%	BBB-	NR	\$4,000	Connecticut State Health and Educational Facilities Authority Revenue Bonds (New Britain Memorial Hospital), Series A, 7.75% due 7/01/2022	\$ 4,348
	NR	NR	580	Eastern Connecticut State Regional Education Service Center, GO, 5.75% due 5/15/1998	588
	NR	NR	1,975	New Haven, Connecticut, Facilities Revenue Bonds (Hill Health Corporation Project), 9.25% due 5/01/2017	2,188
District of Columbia--1.4%	BBB	NR	3,000	District of Columbia, COP, 7.30% due 1/01/2013	3,276
Florida--0.4%	B+	NR	960	Jacksonville, Florida, Port Authority, IDA, Refunding Bonds (United States Gypsum Corporate Project), 7.25% due 10/01/2014	955
Georgia--3.1%	NR	NR	2,550	Atlanta, Georgia, Urban Residential Finance Authority, College Facilities Revenue Bonds (Morris Brown College Project), 9.50% due 6/01/2011	2,435

	NR	NR	2,000	Atlanta, Georgia, Urban Residential Finance Authority, M/F Mortgage Revenue Bonds (Northside Plaza Apartments Project), 9.75% due 11/01/2020	2,120
	BBB+	NR	2,500	Tri-City Hospital Authority, Georgia, Hospital Revenue Bonds (South Fulton Medical Centers), COP, 6.375% due 7/01/2016	2,478
Hawaii--0.9%	AAA	NR	1,750	Hawaii State Department of Budget and Finance, Special Purpose Mortgage Revenue Bonds (Citizens Utility Company), RIB, Series 91-B, 10.603% due 11/01/2021 (g)	2,017
Illinois--1.7%	BB	Baa2	490	Chicago, Illinois, O'Hare International Airport, Special Facilities Revenue Bonds (United Airlines), AMT, Series B, 8.95% due 5/01/2018	572
	BBB+	NR	2,000	Illinois Educational Facilities Authority Revenue Bonds (Chicago Osteopathic Health System), 7.25% due 5/15/2022	2,110
	BBB	NR	1,000	Lansing, Illinois, Tax Increment Revenue Refunding Bonds, 7% due 12/01/2008	1,074
Indiana--0.7%	A	NR	1,500	Indiana Bond Bank, Special Hospital Program Revenue Bonds (Hendricks Community Hospital), Series A, 7.125% due 4/01/2013	1,664
Iowa--1.0%	NR	NR	1,500	Iowa Finance Authority, Health Care Facilities Revenue Bonds (Mercy Health Initiatives Project), 9.95% due 7/01/2019	1,587
	A1+	NR	800	Iowa Financial Authority, Solid Waste Disposal Revenue Bonds (Cedar River Paper Company Project), Series A, VRDN, 2.40% due 7/01/2023 (a)	800
Kentucky--2.8%				Jefferson County, Kentucky, First Mortgage Revenue Bonds (Christian Church Homes):	
	BBB	NR	715	6.125% due 11/15/2013	693
	BBB	NR	1,165	6.125% due 11/15/2018	1,118
	AAA	Aaa	4,000	Louisville, Kentucky, Hospital Revenue Bonds, INFLOS, 10.606% due 10/01/2014 (b) (g)	4,645

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SCHEDULE OF INVESTMENTS (continued)

(in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<S>	<C>	<S>	<C>
Louisiana--5.0%	NR	Ba1	\$3,500	Lake Charles, Louisiana, Harbor and Terminal District Refunding Bonds (Truckline LNG Company Project), 7.75% due 8/15/2022	\$ 3,908
	BBB+	Baa1	1,000	Louisiana Public Facilities Authority, Hospital Revenue Bonds (Woman's Hospital Foundation Project), 7.25% due 10/01/2022	1,080
	NR	A	1,000	Louisiana Public Facilities Authority, Student Loan Revenue Bonds, AMT, Series A-3, 7% due 9/01/2006	1,068
	BB-	NR	3,000	Port New Orleans, Louisiana, IDA, Revenue Refunding Bonds (Continental Grain Company Project), 7.50% due 7/01/2013	3,132
	BBB-	NR	2,000	West Feliciana Parish, Louisiana, PCR (Gulf States Utilities), Series II, 7.70% due 12/01/2014	2,273
Maryland--1.0%	NR	A	2,000	Prince George's County, Maryland, Hospital Revenue Bonds (Dimensions Health Corporation), 7% due 7/01/2002 (d)	2,308
Massachusetts--5.8%	NR	NR	1,200	Boston, Massachusetts, Industrial Development Financing Authority, Solid Waste Disposal Facility Revenue Bonds (Jet-A-Way Project), AMT, 10.50% due 1/01/2011	1,344
	NR	Ba	1,325	Lawrence, Massachusetts, GO, 9.875% due 12/15/1998	1,603
	AAA	Aaa	3,500	Massachusetts Health and Educational Facilities Authority Revenue Bonds (Beth Israel Hospital), INFLOS, 9.384% due 7/01/2025 (e) (g)	3,658
	NR	NR	1,505	Massachusetts Health and Educational Facilities Authority Revenue Bonds (North Adams Regional Hospital), Series B, 8% due 7/01/1998	1,594
	BB+	Ba1	1,600	Massachusetts Industrial Finance Authority, Revenue Bonds (Vinfen Corporate Issue), 7.10% due 11/15/2018	1,578
	NR	NR	3,000	Massachusetts Port Authority Revenue Bonds (Harborside Hyatt Project), AMT, 10% due 3/01/2026	3,343
Michigan--1.5%	BBB	Ba1	2,900	Detroit, Michigan, GO, Series A, 8.70% due 4/01/2010	3,416
Minnesota--3.4%				Saint Paul, Minnesota, Housing and Redevelopment Authority, Hospital Revenue Bonds (Healtheast Project):	
	BBB-	Baa	2,000	Series A, 6.625% due 11/01/2017	2,035
	BBB-	Baa	4,820	Series D, 9.75% due 11/01/2017	5,725
Mississippi--0.5%	NR	Baa	1,000	Mississippi Hospital Equipment and Authority Revenue Bonds (Riley Memorial Hospital), Series B, 7.125% due 5/01/2022	1,076
Missouri--5.0%	BBB-	NR	3,000	Joplin, Missouri, IDA, Hospital Facilities Revenue Refunding and Improvement Bonds (Tri-State Osteopathic Project), 8.25%	

				due 12/15/2014	3,410
				Missouri Health and Educational Facilities Authority Revenue Bonds (Southwest Baptist University Project):	
	BB	NR	905	9.50% due 10/01/2001	1,066
	BB	NR	3,690	9.50% due 10/01/2011	4,533
	AAA	Aaa	2,000	Phelps County, Missouri, Hospital Revenue Bonds (Phelps County Regional Medical Center), 8.30% due 3/01/2000 (d)	2,411

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<TABLE> SCHEDULE OF INVESTMENTS (continued)						(in Thousands)
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State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value	
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Montana--0.9%	NR	NR	\$2,000	Montana State Investment Board, Resource Recovery Revenue Bonds (Yellowstone Energy Light & Power Project), AMT, 7% due 12/31/2019	\$ 2,037	
Nevada--0.9%	BBB+	NR	2,000	Las Vegas, Nevada, Downtown Redevelopment Agency, Tax Increment Revenue Bonds (Fremont Street Project), Series A, 6.10% due 6/15/2014	1,961	
New Hampshire--2.6%	BBB+	Baa1	1,845	New Hampshire Higher Educational and Health Facilities Authority Revenue Bonds (Saint Joseph Hospital), 7.50% due 1/01/2016	2,011	
	BB+	Baa3	3,450	New Hampshire, IDA, PCR (Public Service Company New Hampshire Project), Series B, 7.50% due 5/01/2021	3,799	
New Jersey--5.7%	BBB+	Baa1	2,000	Camden County, New Jersey, Pollution Control Financing Authority, Solid Waste Resource Recovery Revenue Bonds, Series D, 7.25% due 12/01/2010	2,149	
	NR	NR	4,900	New Jersey Health Care Facilities, Financing Authority Revenue Bonds: (Riverwood Center), Series A, 9.90% due 7/01/2021	5,475	
	BBB-	Baa	4,700	(Saint Elizabeth Hospital), Series B, 8.25% due 7/01/2020	5,328	
New Mexico--1.7%	BB	Ba2	2,000	Farmington, New Mexico, PCR, Refunding (Public Service Company--San Juan Project), Series A, 6.40% due 8/15/2023	2,004	
	A	A3	1,750	Lordsburg, New Mexico, PCR, Refunding (Phelps Dodge Corporate Project), 6.50% due 4/01/2013	1,862	
New York--5.2%				New York City, New York, GO:		
	A-	Aaa	4,000	Series B, 8.25% due 6/01/2001 (d)	4,922	
	A-	Baa1	5,260	Series C, 7.50% due 8/01/2021	6,019	
	A1+	NR	500	New York State Energy, Research and Development Authority, PCR (Niagara Power Corporate Project), Series B, AMT, VRDN, 2.30% due 7/01/2027 (a)	500	
	A1+	NR	400	New York State Environmental Facilities, Corporate Resource Recovery Revenue Bonds (Offshore Equity Huntington Project), AMT, VRDN, 2.25% due 11/01/2014 (a)	400	
Ohio--4.1%	NR	NR	1,820	Cincinnati, Ohio, Student Loan Funding Corporation, Revenue Refunding Bonds, AMT, Series B, 6.75% due 1/01/2007	1,886	
	AAA	Aaa	2,000	Ohio, HFA, S/F Mortgage Revenue Bonds, Series A-2, AMT, RIB, 10.906% due 3/24/2031 (c) (g)	2,208	
	BB	Baa3	2,500	Ohio State Air Quality Development Authority, CPR, Refunding (Cleveland Electric Company), AMT, 6.85% due 7/01/2023	2,548	
	BB	Ba2	2,500	Ohio State Water Development Authority, Pollution Control Facilities Revenue Bonds (Toledo Edison Company Project), Series A, AMT, 7.40% due 11/01/2022	2,641	

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<TABLE> SCHEDULE OF INVESTMENTS (continued)						(in Thousands)
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State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value	
<S>	<S>	<S>	<C>	<S>	(Note 1a)	
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Oklahoma--0.4%	B+	NR	\$ 985	Blaine County, Oklahoma, Industrial Authority, IDA, Revenue Bonds (United States Gypsum Corporate Project), 7.25% due 10/01/2010	\$ 975	
Oregon--1.0%	A1	VMIG1	300	Medford, Oregon, Hospital Facilities Authority Revenue Bonds (Gross Rogue Valley Health Service), DATES, 2.45% due 10/01/2016 (a)	300	
	B+	NR	1,955	Yamhill County, Oregon, PCR, Refunding (Smurfit Newsprint Corporate Project), 8% due 12/01/2003	1,961	
Pennsylvania--8.5%	BBB-	NR	5,000	McKean County, Pennsylvania, Hospital Authority Revenue Bonds (Bradford Hospital Project), 8.875% due 10/01/2020	6,012	
	BBB	NR	1,710	Montgomery County, Pennsylvania, Higher Education and Health Authority, Hospital Revenue Bonds (Jeanes Health System Project), 8.625% due 7/01/2000 (d)	2,108	
				Montgomery County, Pennsylvania, IDA, Revenue Refunding Bonds:		

	NR	NR	1,500	(1st Mortgage--Meadowood Corporation Project), Series A, 10.25% due 12/01/2020	1,652
	NR	NR	3,500	(Pennsburg Nursing and Rehabilitation Center), 7.625% due 7/01/2018	3,494
	NR	NR	2,000	Pennsylvania Economic Development Financing Authority, IDR (GEHL Company Inc. Project), AMT, Series F, 9% due 9/01/2010	2,000
	NR	NR	1,000	Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds (Northampton Generating), Series A, 6.60% due 1/01/2019	982
	NR	NR	3,000	Washington County, Pennsylvania, Hospital Authority Revenue Refunding Bonds (Canonsburg General Hospital Project), 7.35% due 6/01/2013	3,076
Rhode Island--1.6%	BBB+	NR	1,500	Rhode Island Health and Educational Building Corporation, Hospital Revenue Bonds (South County Hospital), 7.25% due 11/01/2011	1,622
	NR	Ba	2,000	West Warwick, Rhode Island, GO, UT, Series A, 6.80% due 7/15/1998	2,051
South Carolina--0.7%	NR	Baa1	1,500	Horry County, South Carolina, Hospital Facilities Revenue Refunding Bonds (Conway Hospital), 6.75% due 7/01/2012	1,573
South Dakota--0.5%	BBB	Baa	1,000	South Dakota Health and Educational Facilities Authority, Revenue Refunding Bonds (Prairie Lakes Health Care), 7.25% due 4/01/2022	1,109
Tennessee--3.2%	NR	NR	4,265	Knox County, Tennessee, Health, Educational and Housing Facilities Board, Hospital Facilities Revenue Bonds (Baptist Health System of East Tennessee), 8.60% due 4/15/2016	4,628
	BBB-	Baa1	2,500	McMinn County, Tennessee, Industrial Development Board, Solid Waste Disposal Revenue Bonds (Calhoun Newsprint), AMT, 7.40% due 12/01/2022	2,756

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SCHEDULE OF INVESTMENTS (concluded)

(in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<S>	<C>	<S>	<C>
Texas--11.4%	BBB	Baa2	\$5,750	Brazos River Authority, Texas, PCR (Texas Utilities Electric Company), AMT, Series A, 8.125% due 2/01/2020	\$ 6,562
	BB+	Baa2	3,000	Dallas--Fort Worth, Texas, International Airport Facilities Improvement Corporation Revenue Bonds: (American Airlines), AMT, 7.25% due 11/01/2030	3,173
	BB	Ba1	3,375	(Delta Airlines Incorporated), 6.25% due 11/01/2013	3,318
	BBB	Baa1	1,500	Ector County, Texas, Hospital Revenue Bonds (Ector County Hospital), 7.30% due 4/15/2012	1,617
	NR	NR	1,000	Gulf Coast, Texas, Waste Disposal Authority, Revenue Bonds, PCR and Solid Waste Disposal (Diamond Shamrock Corporation Project), 6.75% due 6/01/2009	1,012
	A-	Baa1	1,500	Harris County, Texas, Industrial Development Corporation, Marine Terminal Revenue Refunding Bonds (GATX Terminals Corporation Project), 6.95% due 2/01/2022	1,629
	BBB-	Baa	4,960	Jefferson County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Baptist Healthcare Systems Project), 8.875% due 6/01/2021	5,728
	BBB	NR	1,500	Midland County, Texas, Hospital District Revenue Bonds (Midland Memorial Hospital), 7.50% due 6/01/2016	1,651
	NR	NR	1,845	Swisher County, Texas, Jail Facilities Financing Corporation Revenue Bonds (Criminal Detention Center), 9.75% due 8/01/2009 (f)	0
	BBB	Baa2	1,000	West Side Calhoun County, Texas, Navigation District, Solid Waste Revenue Bonds (Union Carbide Chemical and Plastics), AMT, 8.20% due 3/15/2021	1,142
Utah--1.5%	AAA	Aaa	3,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals, Inc.), INFLOS, 10.681% due 5/15/2020 (e) (g)	3,499
Wisconsin--1.0%	NR	B2	2,350	Walworth, Wisconsin, IDA, Refunding (US Gypsum Corporation Project), 7.25% due 5/01/2010	2,347
Total Investments (Cost--\$206,277)--98.6%					224,313
Variation Margin on Stock Index Futures Contracts*--0.0%					(63)
Other Assets Less Liabilities--1.4%					3,252
Net Assets--100.0%					\$27,502

<FN>

(a) The interest rate is subject to change periodically based upon the prevailing market rate. The interest rate shown is the rate in effect at February 28, 1994.

(b) MBIA Insured.

- (c) GNMA Collateralized.
- (d) Prerefunded.
- (e) AMBAC Insured.
- (f) Non-income producing security.
- (g) The interest rate is subject to change periodically and inversely to the prevailing market rate. The interest rate shown is the rate in effect at February 28, 1994.

* Futures contracts sold as of February 28, 1994 were as follows:

Number of Contracts	Issue	Expiration Date	Value (Note 1a)
225	US Treasury Note (5 year)	June 1994	\$ (24,542,578)
Total Futures Contracts (Total Contract Price -- \$24,778,125)			\$ (24,542,578) =====

See Notes to Financial Statements.

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FINANCIAL INFORMATION

<TABLE>

<CAPTION>

Statement of Assets and Liabilities as of February 28, 1994

<S>	<S>	<C>	<C>
Assets:	Investments, at value (identified cost--\$206,276,857) (Note 1a)		\$224,313,119
	Cash		71,617
	Receivables:		
	Interest	\$ 3,998,654	
	Capital shares sold	850,393	
	Securities sold	800,164	5,649,211

	Deferred organization expenses (Note 1e)		94,739
	Prepaid registration fees and other assets (Note 1e)		30,342

	Total assets		230,159,028

Liabilities:	Payables:		
	Securities purchased	1,855,796	
	Dividends to shareholders (Note 1g)	392,486	
	Investment adviser (Note 2)	212,739	
	Variation margin	63,281	2,524,302

	Accrued expenses and other liabilities		133,088

	Total liabilities		2,657,390

Net Assets:	Net assets		\$227,501,638
			=====
Net Assets	Common stock, \$.10 par value, 200,000,000 shares authorized		\$ 2,010,382
Consist of:	Paid-in capital in excess of par		206,580,473
	Undistributed realized capital gains--net		638,974
	Unrealized appreciation on investments--net		18,271,809

	Net assets--Equivalent to \$11.32 per share based on 20,103,821 shares of capital outstanding		\$227,501,638
			=====

See Notes to Financial Statements.

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FINANCIAL INFORMATION (continued)

<TABLE>

Statement of Operations

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<S>	<S>	<C>	For the Six Months Ended February 28, 1994 <C>
Investment Income (Note 1d):	Interest and amortization of premium and discount earned		\$ 7,963,057
Expenses:	Investment advisory fees (Note 2)	\$ 1,065,038	
	Administrative fees (Note 2)	280,273	
	Professional fees	55,815	
	Transfer agent fees (Note 2)	44,799	
	Listing fees	41,029	
	Printing and shareholder reports	35,786	
	Advertising	25,919	
	Registration fees (Note 1e)	23,976	
	Amortization of organization expenses (Note 1e)	20,264	
	Accounting services (Note 2)	15,110	

Directors' fees and expenses	12,547
Custodian fees	10,898
Pricing fees	5,302
Other	3,094

Total expenses before reimbursement	1,639,850
Reimbursement of expenses (Note 2)	(3,564)
Total expenses after reimbursement	1,636,286
Investment income--net	6,326,771
Realized gain on investments--net	1,413,371
Change in unrealized appreciation on investments--net	(2,579,616)
Net Increase in Net Assets Resulting from Operations	\$ 5,160,526

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (continued)

<TABLE>

Statements of Changes in Net Assets

<CAPTION>

		For the Six Months Ended February 28, 1994	For the Year Ended August 31, 1993
Increase (Decrease) in Net Assets:			
<S>	<S>	<C>	<C>
Operations:	Investment income--net	\$ 6,326,771	\$ 11,632,598
	Realized gain on investments--net	1,413,371	1,137,534
	Change in unrealized appreciation on investments--net	(2,579,616)	12,041,409
	Net increase in net assets resulting from operations	5,160,526	24,811,541
Dividends & Distributions To Shareholders (Note 1g):	Investment income--net	(6,326,771)	(11,632,598)
	Realized gain on investments--net	(1,365,805)	(851,810)
	Net decrease in net assets resulting from dividends and distributions to shareholders	(7,692,576)	(12,484,408)
Capital Share Transactions (Note 4):	Net increase in net assets derived from capital share transactions	13,111,270	33,860,084
Net Assets:	Total increase in net assets	10,579,220	46,187,217
	Beginning of period	216,922,418	170,735,201
	End of period	\$227,501,638	\$216,922,418

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION (concluded)

<TABLE>

Financial Highlights

<CAPTION>

		For the Six Months Ended Feb. 28, 1994	For the Year Ended Aug. 31, 1993	1992	For the Period Nov. 2, 1990++ to Aug. 31, 1991
The following per share data and ratios have been derived from information provided in the financial statements.					
Increase (Decrease) in Net Asset Value:					
<S>	<S>	<C>	<C>	<C>	<C>
Per Share	Net asset value, beginning of period	\$ 11.44	\$ 10.74	\$ 10.29	\$ 10.00
Operating Performance:	Investment income--net	.32	.68	.71	.63
	Realized and unrealized gain (loss) on investments--net	(.05)	.75	.50	.29
	Total from investment operations	.27	1.43	1.21	.92
Less dividends and distributions:	Investment income--net	(.32)	(.68)	(.71)	(.63)
	Realized gain on investments--net	(.07)	(.05)	(.05)	--
	Total dividends and distributions	(.39)	(.73)	(.76)	(.63)

		----- \$ 11.32 =====	----- \$ 11.44 =====	----- \$ 10.74 =====	----- \$ 10.29 =====
	Net asset value, end of period				
Total Investment Return:**	Based on net asset value per share	2.38%+++	13.83%	12.29%	9.43%+++
Ratios to Average New Assets:	Expenses, net of reimbursement	1.46%*	1.37%	1.30%	.84%*
	Expenses	1.46%*	1.47%	1.55%	1.76%*
	Investment income--net	5.64%*	6.17%	6.85%	7.43%*
Supplemental Data:	Net assets, end of period (in thousands)	\$227,502	\$216,922	\$170,735	\$114,628
	Portfolio turnover	11.59%	28.74%	31.74%	75.92%

<FN>

+Commencement of Operations.

+++Aggregate total investment return.

*Annualized.

**Total investment returns exclude the effects of sales loads.

The Fund is a continuously offered closed-end fund, the shares of which are offered at net asset value. Therefore, no separate market exists.

See Notes to Financial Statements.

</TABLE>

NOTES TO FINANCIAL STATEMENTS

1. Significant Accounting Policies:

Merrill Lynch High Income Municipal Bond Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940 as a continuously offered, non-diversified, closed-end management investment company. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments--Municipal bonds are traded primarily in the over-the-counter markets and are valued at the most recent bid price or yield equivalent as obtained by the Fund's pricing service from dealers that make markets in such securities. Financial futures contracts, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options, which are traded on exchanges, are valued at their last sale price as of the close of such exchanges or, lacking any sales, at the last available bid price. Securities with remaining maturities of sixty days or less are valued at amortized cost which approximates market. Securities for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

(b) Financial futures contracts--The Fund may purchase or sell certain financial futures contracts and options thereon for the purpose of hedging the market risk on existing securities or the intended purchase of securities. Futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

(c) Income taxes--It is the Fund's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no Federal income tax provision is required.

(d) Security transactions and investment income--Security transactions are recorded on the dates the transactions are entered into (the trade dates). Interest income is recognized on the accrual basis. Original issue discounts and market premiums are amortized into interest income. Realized gains and losses on security transactions are determined on the identified cost basis.

(e) Deferred organization expenses and prepaid registration fees--Deferred organization expenses are amortized on a straight-line basis over a five-year period. Prepaid registration fees are charged to expense as the related shares are issued.

(f) Non-income producing investments--Written and purchased options are nonincome producing investments.

(g) Dividends and distributions--Dividends from net investment income are declared daily and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Merrill Lynch Asset Management, L.P. ("MLAM"). Effective January 1, 1994, the investment advisory business of MLAM was reorganized from a corporation to a limited partnership. Both prior to and after the reorganization, ultimate control of MLAM was vested with Merrill Lynch & Co., Inc. ("ML & Co."). The general partner of MLAM is Princeton Services, Inc., an indirect wholly-owned subsidiary of ML & Co. The limited partners are ML & Co. and Merrill Lynch Investment Management, Inc. ("MLIM"), which is also an indirect wholly-owned subsidiary of ML & Co. The Fund has also entered into a Distribution Agreement with Merrill Lynch Funds Distributor, Inc. ("MLFD" or "Distributor"), a wholly-owned subsidiary of MLIM.

MLAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of 0.95% of the Fund's average daily net assets.

The Fund also has an Administrative Services Agreement with MLAM whereby MLAM will receive a fee equal to an annual rate of 0.25% of the Fund's average daily net assets, in return for the performance of administrative services (other than investment advice and related portfolio activities) necessary for the operation of the Fund. The Investment Advisory Agreement obligates MLAM to reimburse the Fund to the extent the Fund's expenses (excluding interest, taxes, brokerage fees and commissions, and extraordinary items) exceed (a) 2.0% of the Fund's average daily net assets or (b) 2.5% of the Fund's first \$30 million of average daily net assets, 2.0% of the next \$70 million of average daily net assets, and 1.5% of the average daily net assets in excess thereof. MLAM's obligation to reimburse the Fund is limited to the amount of the investment advisory fee. No fee payment will be made to the Investment Adviser during any fiscal year which will cause such expenses to exceed the most restrictive expense limitation applicable at the time of such payment. MLAM has voluntarily agreed to waive a portion of the combined investment advisory and administrative fees. For the six months ended February 28, 1994, MLAM earned fees of \$1,345,311, of which \$3,564 was waived.

Financial Data Services, Inc. ("FDS"), a wholly-owned subsidiary of ML & Co., is the Fund's transfer agent.

Accounting services are provided to the Fund by MLAM at cost.

Certain officers and/or directors of the Fund are officers and/or directors of MLIM, MLFD, FDS, Merrill Lynch, Pierce, Fenner & Smith Inc., and/or ML & Co.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended February 28, 1994 were \$34,116,037 and \$25,638,515, respectively.

Net realized and unrealized gains as of February 28, 1994 were as follows:

	Realized Gains	Unrealized Gains
Long-term investments	\$ 1,327,371	\$18,036,262
Financial future contracts	86,000	235,547
	-----	-----
Total	\$ 1,413,371	\$18,271,809
	=====	=====

As of February 28, 1994, net unrealized appreciation for Federal income tax purposes aggregated \$18,271,809, of which \$19,969,942 related to appreciated securities and \$1,698,133 related to depreciated securities. The aggregate cost of investments at February 28, 1994 for Federal income tax purposes was \$206,276,857.

4. Capital Share Transactions:

Transactions in capital shares were as follows:

For the Six Months Ended	Shares	Dollar Amount
February 28, 1994		

Shares sold	1,872,174	\$21,514,495
Shares issued to share- holders in reinvestment of dividends and distributions	282,420	3,243,311
	-----	-----
Total issued	2,154,594	24,757,806
Shares tendered	(1,016,577)	(11,646,536)
	-----	-----
Net increase	1,138,017	\$13,111,270
	=====	=====

For the Year Ended	Shares	Dollar
August 31, 1993		Amount
Shares sold	4,347,002	\$48,160,844
Shares issued to share- holders in reinvestment of dividends and distributions	465,531	4,748,066
	-----	-----
Total issued	4,812,533	52,908,910
Shares tendered	(1,739,446)	(19,048,826)
	-----	-----
Net increase	3,073,087	\$33,860,084
	=====	=====

OFFICERS AND DIRECTORS

Arthur Zeikel, President and Director
 Ronald W. Forbes, Director
 Cynthia A. Montgomery, Director
 Charles C. Reilly, Director
 Kevin A. Ryan, Director
 Richard R. West, Director
 Terry K. Glenn, Executive Vice President
 Donald C. Burke, Vice President
 Vincent R. Giordano, Vice President
 Gerald M. Richard, Treasurer
 Robert Harris, Secretary

Custodian
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