

SECURITIES AND EXCHANGE COMMISSION

FORM SC 13E4

Issuer tender offer statement filed pursuant to Rule 13(e)(4)

Filing Date: **1994-01-13**
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SUBJECT COMPANY

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND INC

CIK: **867189** | IRS No.: **226515010** | State of Incorporation: **NJ** | Fiscal Year End: **0831**
Type: **SC 13E4** | Act: **34** | File No.: **005-41587** | Film No.: **94501213**

Business Address
P O BOX 9011
PRINCETON NJ 08543
6092823319

FILED BY

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND INC

CIK: **867189** | IRS No.: **226515010** | State of Incorporation: **NJ** | Fiscal Year End: **0831**
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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JANUARY 12, 1994

SECURITIES ACT FILE NO. 33-36472
INVESTMENT COMPANY ACT FILE NO. 811-6156

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-4
ISSUER TENDER OFFER STATEMENT
(PURSUANT TO SECTION 13(E) (1) OF THE
SECURITIES EXCHANGE ACT OF 1934)

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
(Name of Issuer)

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
(Name of Person(s) Filing Statement)

SHARES OF COMMON STOCK, PAR VALUE \$.10 PER SHARE
(Title of Class of Securities)

589945 10 4
(CUSIP Number of Class of Securities)

ARTHUR ZEIKEL
MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
800 SCUDDERS MILL ROAD
PLAINSBORO, NEW JERSEY 08536
(609) 282-2800

(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications on Behalf of Person(s) Filing Statement)

COPIES TO:

THOMAS R. SMITH, JR., ESQ.
BROWN & WOOD
ONE WORLD TRADE CENTER
NEW YORK, NEW YORK 10048-0557

PHILIP L. KIRSTEIN, ESQ.
MERRILL LYNCH ASSET MANAGEMENT
BOX 9011
PRINCETON, N.J. 08543-9011

JANUARY 13, 1994
(Date Tender Offer First Published,
Sent or Given to Security Holders)

THE EXHIBIT INDEX IS ON SEQUENTIALLY NUMBERED PAGE 5.

CALCULATION OF FILING FEE

TRANSACTION VALUATION: \$17,205,000 (A)

AMOUNT OF FILING FEE: \$3,441 (B)

(a) Calculated as the aggregate estimated maximum purchase price to be paid for 1,500,000 shares in the offer, based upon the net asset value per share (\$11.47) at January 7, 1994.

(b) Calculated as 1/50th of 1% of the Transaction Valuation.

/ / Check box if any part of the fee is offset as provided by Rule 0-11(a) (2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: _____

Form or Registration No.: _____

Filing Party: _____

Filing Date: _____

ITEM 1. SECURITY AND ISSUER.

(a) The name of the issuer is Merrill Lynch High Income Municipal Bond Fund, Inc., a closed-end investment company organized as a Maryland corporation (the "Fund"). The principal executive offices of the Fund are located at 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

(b) The title of the securities being sought is shares of common stock, par value \$0.10 per share (the "Shares"). As of December 31, 1993 there were in excess of 19 million Shares issued and outstanding.

The Fund is seeking tenders for 1,500,000 Shares (the "Offer"), at net asset value per Share calculated on the day the tender offer terminates, less any "Early Withdrawal Charge," upon the terms and subject to the conditions set forth in the Offer to Purchase dated January 13, 1994 (the "Offer to Purchase"). A copy of each of the Offer to Purchase and the related Letter of Transmittal is attached hereto as Exhibit (a) (1) (ii) and Exhibit (a) (2), respectively. Reference is hereby made to the Cover Page and Section 1 "Price; Number of Shares" of the Offer to Purchase, which are incorporated herein by reference. The Fund has been informed that no Directors, officers or affiliates of the Fund intend to tender Shares pursuant to the Offer.

(c) The Shares are not currently traded on an established trading market.

(d) Not Applicable.

ITEM 2. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

(a)-(b) Reference is hereby made to Section 9 "Source and Amount of Funds" of the Offer to Purchase, which is incorporated herein by reference.

ITEM 3. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

Reference is hereby made to Section 7 "Purpose of the Offer," Section 8 "Certain Effects of the Offer" and Section 9 "Source and Amount of Funds" of the Offer to Purchase, which are incorporated herein by reference. The Fund currently is engaged in a continuous public offering of its Shares. The Fund otherwise has no plans or proposals which relate to or would result in (a) the acquisition by any person of additional securities of the Fund or the disposition of securities of the Fund; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Fund; (c) a sale or transfer of a material amount of assets of the Fund; (d) any change in the present Board of Directors or management of the Fund, including, but not limited to, any plans or proposals to change the number or the term of Directors, or to fill any existing vacancy on the Board or to change any material term of the employment contract of any executive officer; (e) any material change in the present dividend rate or policy, or indebtedness or capitalization of the Fund; (f) any other material change in the Fund's corporate structure or business, including any plans or proposals to make any changes in its investment policy for which a vote would be required by Section 13 of the Investment Company Act of 1940, as amended; or (g) changes in the Fund's articles of incorporation, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Fund by any person. Paragraphs (h) through (j) of this Item 3 are not applicable.

ITEM 4. INTEREST IN SECURITIES OF THE ISSUER.

There have not been any transactions involving the Shares of the Fund that were effected during the past 40 business days by the Fund, any executive officer or Director of the Fund, any person controlling the Fund, any executive officer or Director of any corporation ultimately in control of the Fund or by any associate or subsidiary of any of the foregoing including any executive officer or Director of any such subsidiary, except that within the past 40 business days pursuant to a continuous public offering of its Shares the Fund has sold approximately 473,600 Shares at a price equal to the net asset value ("NAV") of the Fund on the date of each such sale.

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ITEM 5. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE ISSUER'S SECURITIES.

The Fund does not know of any contract, arrangement, understanding or relationship relating directly or indirectly, to the Offer (whether or not legally enforceable) between the Fund, any of the Fund's executive officers or Directors, any person controlling the Fund or any executive officer or Director of any corporation ultimately in control of the Fund and any person with respect to any securities of the Fund (including, but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or the voting

of any such securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss, or the giving or withholding of proxies, consents or authorizations).

ITEM 6. PERSONS RETAINED, EMPLOYED OR TO BE COMPENSATED.

No persons have been employed, retained or are to be compensated by the Fund to make solicitations or recommendations in connection with the Offer.

ITEM 7. FINANCIAL INFORMATION.

(a) Reference is hereby made to the financial statements attached hereto as Exhibits (b) (1) and (b) (2), which are incorporated herein by reference.

(b) Not applicable.

ITEM 8. ADDITIONAL INFORMATION.

(a) None.

(b) Reference is made to Section 11 "Certain Information About the Fund" of the Offer to Purchase, which is incorporated herein by reference.

(c) Not applicable.

(d) None.

(e) The Offer to Purchase, attached hereto as Exhibit (a) (1) (ii), is incorporated herein by reference in its entirety.

ITEM 9. MATERIAL TO BE FILED AS EXHIBITS.

- (a) (1) (i) --Advertisement to be printed in The Wall Street Journal.
- (a) (1) (ii) --Offer to Purchase.
- (a) (2) --Form of Letter of Transmittal.
- (a) (3) --Letter to Stockholders.
- (b) (1) --Audited Financial Statements of the Fund for the fiscal year ended August 31, 1993.
- (b) (2) --Audited Financial Statements of the Fund for the fiscal year ended August 31, 1992.

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SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

MERRILL LYNCH HIGH INCOME MUNICIPAL
BOND FUND, INC.

By TERRY K. GLENN

.....
Terry K. Glenn,
Executive Vice President

Date: January 12, 1994

EXHIBIT INDEX

EXHIBIT		PAGE
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(a) (1) (i)	Advertisement to be printed in The Wall Street Journal.....	
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(a) (2)	Form of Letter of Transmittal.....	
(a) (3)	Letter to Stockholders.....	
(b) (1)	Audited Financial Statements of the Fund for the fiscal year ended August 31, 1993.....	
(b) (2)	Audited Financial Statements of the Fund for the fiscal year ended August 31, 1992.....	

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE OR A SOLICITATION OF AN OFFER TO SELL SHARES. THE OFFER IS MADE ONLY BY THE OFFER TO PURCHASE DATED JANUARY 13, 1994, AND THE RELATED LETTER OF TRANSMITTAL. THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS OF SHARES IN ANY JURISDICTION IN WHICH MAKING OR ACCEPTING THE OFFER WOULD VIOLATE THAT JURISDICTION'S LAWS.

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.

NOTICE OF OFFER TO PURCHASE FOR CASH 1,500,000 OF ITS ISSUED AND OUTSTANDING SHARES AT NET ASSET VALUE PER SHARE

THE EXPIRATION DATE AND THE WITHDRAWAL DEADLINE IS 12:00 MIDNIGHT, NEW YORK CITY TIME, ON THURSDAY, FEBRUARY 10, 1994, UNLESS EXTENDED.

Merrill Lynch High Income Municipal Bond Fund, Inc. (the "Fund") is offering to purchase 1,500,000 of its issued and outstanding shares of common stock par value \$.10 per share (the "Shares") at a price equal to their net asset value ("NAV") less any applicable early withdrawal charge as of the close of the New York Stock Exchange on the Expiration Date, February 10, 1994, unless extended upon the terms and conditions set forth in the Offer to Purchase dated January 13, 1994 (the "Offer"). The NAV on January 7, 1994, was \$11.47 per share. The purpose of the Offer is to provide liquidity to stockholders since the Fund is unaware of any secondary market which exists for the Shares. The Offer is not conditioned upon the tender of any minimum number of Shares.

If more than 1,500,000 Shares are duly tendered prior to the expiration of the Offer, the Fund will, assuming no changes in the factors originally considered by the Board of Directors when it determined to make the Offer, extend the Offer period if necessary, and increase the number of Shares that the Fund is offering to purchase to an amount which it believes will be sufficient to accommodate the excess Shares tendered, as well as any Shares tendered during the extended Offer period. In no event will the Fund purchase Shares tendered on a pro rata basis.

Shares tendered pursuant to the Offer may be withdrawn at any time prior to 12:00 midnight, New York City time, on Thursday, February 10, 1994, unless the offer is extended, and, if not yet accepted for payment by the Fund, Shares may also be withdrawn after March 11, 1994.

The information required to be disclosed by paragraph (d)(1) of Rule 13e-4 under the Securities Exchange Act of 1934, as amended, is contained in the Offer to Purchase and is incorporated herein by reference.

The Offer to Purchase and the related Letter of Transmittal contain important information that should be read carefully before any decision is made with respect to the Offer.

Questions and requests for assistance, for current NAV quotations or for

copies of the Offer to Purchase, Letter of Transmittal, and any other tender offer documents may be directed to the Merrill Lynch Response Center at the address and telephone number below. Copies will be furnished promptly at no expense to you and also may be obtained by completing and returning the coupon below to the Merrill Lynch Response Center. Stockholders who do not own Shares directly should effect a tender through their broker, dealer, or nominee. For example, stockholders who purchased shares through Merrill Lynch, Pierce, Fenner & Smith Incorporated should effect tenders through their Financial Consultant.

1-800-MERRILL, EXT. 7866

MAIL TO: MERRILL LYNCH RESPONSE CENTER
P.O. BOX 30200, NEW BRUNSWICK, NJ 08989-0200

/ / PLEASE SEND ME MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC. TENDER OFFER MATERIALS.

NAME _____ ADDRESS _____
BUSINESS PHONE (____) _____ CITY _____
HOME PHONE (____) _____ STATE _____ ZIP _____

PLEASE GIVE THE NAME AND OFFICE ADDRESS OF YOUR MERRILL LYNCH FINANCIAL CONSULTANT:

7866

(C) COPYRIGHT 1994. MERRILL LYNCH, PIERCE, FENNER & SMITH JANUARY 13, 1994
INC. MEMBER SIPC.

MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
800 SCUDDERS MILL ROAD
PLAINSBORO, NEW JERSEY 08536

OFFER TO PURCHASE FOR CASH 1,500,000
OF ITS ISSUED AND OUTSTANDING SHARES
AT NET ASSET VALUE PER SHARE

THE EXPIRATION DATE AND THE WITHDRAWAL DEADLINE IS 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON FEBRUARY 10, 1994, UNLESS EXTENDED.

To the Holders of Shares of
MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.:

The Fund is offering to purchase up to 1,500,000 of its shares of common stock, par value \$.10 per share (the "Shares"), for cash at a price equal to their net asset value ("NAV"), less any applicable Early Withdrawal Charge, as of the close of the New York Stock Exchange on February 10, 1994, the expiration date, unless extended, upon the terms and conditions set forth in this Offer to Purchase (the "Offer") and the related Letter of Transmittal. The Shares are not currently traded on an established secondary market. The NAV on January 7, 1994 was \$11.47 per Share. You can obtain current NAV quotations from your Merrill Lynch Financial Consultant or the Merrill Lynch, Pierce, Fenner & Smith Incorporated Response Center (the "Merrill Lynch Response Center") (see Section 1). The Fund presently intends each quarter to consider making a tender offer for its Shares at a price equal to their then current NAV.

If more than 1,500,000 Shares are duly tendered prior to the expiration of the Offer, the Fund will, assuming no changes in the factors originally considered by the Board of Directors when it determined to make the Offer, extend the Offer period, if necessary, and increase the number of Shares that the Fund is offering to purchase to an amount which it believes will be sufficient to accommodate the excess Shares tendered as well as any Shares tendered during the extended Offer period. IN NO EVENT WILL THE FUND PURCHASE SHARES TENDERED ON A PRO RATA BASIS.

THIS OFFER IS BEING MADE TO ALL STOCKHOLDERS OF THE FUND AND IS NOT
CONDITIONED UPON ANY MINIMUM NUMBER OF SHARES BEING TENDERED.

IMPORTANT

If you desire to tender all or any portion of your Shares, you should either (1) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you or (2) if you own your Shares directly, complete and sign the Letter of Transmittal and mail or deliver it along with any Share certificate(s) and any other required documents to the Fund's transfer agent, Financial Data Services, Inc. (the "Transfer Agent"). If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such broker, dealer, commercial bank, trust company or other nominee if you desire to tender your Shares. Shares held in your Merrill Lynch, Pierce, Fenner & Smith Incorporated ("Merrill Lynch") brokerage account are registered in the name of Merrill Lynch and are not held by you directly. Merrill Lynch may charge its customers a \$4.85 processing fee to confirm a repurchase of Shares from such customers pursuant to the Offer.

NEITHER THE FUND NOR ITS BOARD OF DIRECTORS MAKES ANY RECOMMENDATION TO ANY STOCKHOLDER AS TO WHETHER TO TENDER OR REFRAIN FROM TENDERING SHARES. EACH STOCKHOLDER MUST MAKE HIS OWN DECISION WHETHER TO TENDER SHARES, AND IF SO, HOW MANY SHARES TO TENDER.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF THE FUND AS TO WHETHER STOCKHOLDERS SHOULD TENDER SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER OTHER THAN THOSE CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL. IF GIVEN OR MADE, SUCH RECOMMENDATION AND SUCH INFORMATION AND REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUND.

THIS TRANSACTION HAS 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 FAIRNESS OR MERITS OF SUCH TRANSACTION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Questions and requests for assistance may be directed to your Merrill Lynch Financial Consultant or other nominee, or to the Transfer Agent at the address

and telephone number set forth below. Requests for additional copies of this Offer to Purchase and the Letter of Transmittal should be directed to the Merrill Lynch Response Center.

January 13, 1994

MERRILL LYNCH HIGH INCOME
MUNICIPAL BOND FUND, INC.

Merrill Lynch Response Center
P.O. Box 30200
New Brunswick,
New Jersey 08989-0200

Transfer Agent: Financial Data Services, Inc.
Attn: Merrill Lynch High Income
Municipal Bond Fund, Inc.

Attn: Merrill Lynch High Income
Municipal Bond Fund, Inc.
(800) 637-7455 ext. 7866

Transfer Agency Operations Department
P.O. Box 45289
Jacksonville, Florida 32232-5289
(904) 928-5510

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1. PRICE; NUMBER OF SHARES. The Fund will, upon the terms and subject to the conditions of the Offer, purchase up to 1,500,000 of its issued and outstanding Shares which are tendered and not withdrawn prior to 12:00 MIDNIGHT, New York City time, on February 10, 1994 (such time and date being hereinafter called the "Initial Expiration Date"), unless it determines to accept none of them. The purchase price of the Shares will be their NAV as of the close of the New York Stock Exchange on the Expiration Date. An Early Withdrawal Charge to recover distribution expenses will be assessed on most Shares accepted for purchase which have been held for less than three years (see Section 3). The Fund reserves the right to extend the Offer (see Section 14). The later of the Initial Expiration Date or the latest time and date to which the Offer is extended is herein referred to as the "Expiration Date."

The Offer is being made to all stockholders of the Fund and is not conditioned upon any number of Shares being tendered. The Fund will not purchase Shares on a pro rata basis. If more than 1,500,000 Shares are duly tendered prior to the Initial Expiration Date, the Fund will, assuming no changes in the factors originally considered by the Board of Directors when it initially determined to make the Offer, extend the Offer period, if necessary, and increase the number of Shares that the Fund is offering to purchase to an amount which it believes will be sufficient to accommodate the excess Shares tendered as well as any Shares tendered during the extended Offer period.

As of December 31, 1993, there were in excess of 19 million Shares issued and outstanding and there were approximately 288 holders of record of Shares (in addition, Merrill Lynch maintains accounts for 7,041 beneficial owners of Shares). The Fund has been informed that none of the Directors, officers or affiliates of the Fund intends to tender any Shares pursuant to the Offer. The Shares currently are not traded on any established secondary market. The following table sets forth information relating to the Fund's NAV for the indicated periods:

<TABLE>	NET ASSET VALUE -----	
<S>	HIGH	LOW
Quarter ended:	-----	-----
	<C>	<C>

March 31, 1992.....	\$ 10.50	\$ 10.31
June 30, 1992.....	10.62	10.33
September 30, 1992.....	10.97	10.44
December 31, 1992.....	10.77	10.42
March 31, 1993.....	11.19	10.65
June 30, 1993.....	11.27	10.95
September 30, 1993.....	11.54	11.20
December 31, 1993.....	11.60	11.40

</TABLE>

Current NAV quotations for the Shares can be obtained from your Merrill Lynch Financial Consultant or from the Merrill Lynch Response Center at (800) 637-7455, ext. 7866.

2. PROCEDURE FOR TENDERING SHARES. In order for you to tender any of your Shares pursuant to the Offer, you may either: (a) request your broker, dealer, commercial bank, trust company or other nominee to effect the transaction for you, in which case a Letter of Transmittal is not required or (b) if the Shares are registered in your name, send to the Transfer Agent, at the address set forth on page 2, any certificates for such Shares, a properly completed and executed Letter of Transmittal and any other documents required therein. Please contact the Merrill Lynch Response Center at (800) 637-7455, ext. 7866 as to any additional documents which may be required.

A. Procedures for Beneficial Owners Holding Shares Through Merrill Lynch or Other Brokers or Nominees.

If your Shares are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you must contact such broker, dealer, commercial bank, trust company or other nominee if you desire to tender your Shares. You should contact such broker or other nominee in sufficient time to permit notification of your desire to tender to reach the Transfer Agent by the Expiration Date. No brokerage commission will be charged on the purchase of Shares by the Fund pursuant to the Offer.

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However, a broker or dealer may charge a fee for processing the transaction on your behalf. Merrill Lynch may charge its customers a \$4.85 processing fee to confirm a purchase of Shares pursuant to the Offer.

B. Procedures for Registered Stockholders.

If you will be mailing or delivering the Letter of Transmittal and any other required documents to the Transfer Agent in order to tender your Shares, they must be received on or prior to the Expiration Date by the Transfer Agent at its address set forth on page 2 of this Offer to Purchase.

Signatures on the Letter of Transmittal must be guaranteed by a member firm of a national securities exchange or a commercial bank or trust company having an office, branch or agency in the United States ("Eligible Institution"). Notarized signatures are not sufficient.

Payment for Shares tendered and purchased will be made only after receipt by the Transfer Agent on or before the Expiration Date of a properly completed and duly executed Letter of Transmittal and any other required documents. If your Shares are evidenced by certificates, those certificates must also be received by the Transfer Agent on or prior to the Expiration Date.

THE METHOD OF DELIVERY OF ANY DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, IS AT THE ELECTION AND RISK OF THE PARTY TENDERING THE SHARES. IF DOCUMENTS ARE SENT BY MAIL, IT IS RECOMMENDED THAT THEY BE SENT BY REGISTERED MAIL, PROPERLY INSURED, WITH RETURN RECEIPT REQUESTED.

C. Determinations of Validity.

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of tenders will be determined by the Fund, in its sole discretion, whose determination shall be final and binding. The Fund reserves the absolute right to reject any or all tenders determined by it not to be in appropriate form or the acceptance of or payment for which would, in the opinion of counsel for the Fund, be unlawful. The Fund also reserves the absolute right to waive any of the conditions of the Offer or any defect in any tender with respect to any particular Shares or any particular stockholder, and the Fund's interpretations of the terms and conditions of the Offer will be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such times as the Fund shall determine. Tenders will not be deemed to have been made until the defects or irregularities have been cured or waived. Neither the Fund, its investment adviser and administrator, Merrill Lynch Asset Management ("MLAM"), nor the Transfer Agent, nor any other person shall be obligated to give notice of any defects or irregularities in tenders,

nor shall any of them incur any liability for failure to give such notice.

D. Tender Constitutes an Agreement.

A tender of Shares made pursuant to any one of the procedures set forth above will constitute an agreement between the tendering stockholder and the Fund in accordance with the terms and subject to the conditions of the Offer.

3. EARLY WITHDRAWAL CHARGE. The Fund will assess an Early Withdrawal Charge on Shares accepted for purchase which have been held for less than three years. The charge will be paid to Merrill Lynch Funds Distributor, Inc., an affiliate of MLAM and the distributor of the Shares, to recover distribution expenses. The Early Withdrawal Charge will be imposed on those Shares accepted for tender based on an amount equal to the lesser of the NAV of the Shares on the Expiration Date or the cost of the Shares being tendered. Accordingly, the Early Withdrawal Charge is not imposed on increases in the net asset value above the initial purchase price. In addition, the Early Withdrawal Charge is not imposed on Shares derived from reinvestments of dividends or capital gains distributions. The Early Withdrawal Charge imposed will vary depending on the length of time the Shares have been

owned since purchase (separate purchases shall not be aggregated for these purposes), as set forth in the following table:

<TABLE>

YEAR OF TENDER AFTER PURCHASE	EARLY WITHDRAWAL CHARGE
<S>	<C>
First.....	3.0%
Second.....	2.0%
Third.....	1.0%
Fourth and following.....	0%

</TABLE>

In determining whether an Early Withdrawal Charge is applicable to a tender of Shares, the calculation will be determined in the manner that results in the lowest possible amount being charged. Therefore, it will be assumed that the tender is first of Shares acquired through dividend reinvestment and of Shares held for over three years and then of Shares held longest during the three-year period. The Early Withdrawal Charge will not be applied to dollar amounts representing an increase in the net asset value since the time of purchase.

4. WITHDRAWAL RIGHTS. You may withdraw Shares tendered at any time prior to the Expiration Date and, if the Shares have not yet been accepted for payment by the Fund, at any time after March 11, 1994.

Stockholders whose accounts are maintained through Merrill Lynch should notify their Financial Consultant prior to the Expiration Date if they wish to withdraw Shares. Stockholders whose accounts are maintained through another broker, dealer, commercial bank, trust company or other nominee should notify such nominee prior to the Expiration Date. Stockholders whose accounts are maintained directly through the Transfer Agent should submit written notice to the Transfer Agent.

To be effective, any notice of withdrawal must be timely received by the Transfer Agent at the address set forth on page 2 of this Offer to Purchase. Any notice of withdrawal must specify the name of the person having deposited the Shares to be withdrawn, the number of Shares to be withdrawn, and, if the certificates representing such Shares have been delivered or otherwise identified to the Transfer Agent, the name of the registered holder(s) of such Shares as set forth in such certificates and the number of Shares to be withdrawn. If the certificates have been delivered to the Transfer Agent, then, prior to the release of such certificates, you must also submit the certificate numbers shown on the particular certificates evidencing such Shares and the signature on the notice of the withdrawal must be guaranteed by an Eligible Institution. All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by the Fund in its sole discretion, whose determination shall be final and binding. Shares properly withdrawn shall not thereafter be deemed to be tendered for purposes of the Offer. However, withdrawn Shares may be retendered by following one of the procedures described in Section 2 prior to the Expiration Date.

5. PAYMENT FOR SHARES. For purposes of the Offer, the Fund will be deemed to have accepted for payment (and thereby purchased) Shares which are tendered as, if and when it gives oral or written notice to the Transfer Agent of its election to purchase such Shares.

Payment for Shares will be made promptly by the Transfer Agent to tendering

stockholders as directed by the Fund. Certificates for Shares not purchased (see Sections 1 and 6), or for Shares not tendered included in certificates forwarded to the Transfer Agent, will be returned promptly following the termination, expiration or withdrawal of the Offer, without expense to the tendering stockholder.

The Fund will pay all transfer taxes, if any, payable on the transfer to it of Shares purchased pursuant to the Offer. If tendered certificates are registered in the name of any person other than the person signing the Letter of Transmittal, the amount of any such transfer taxes (whether imposed on the registered holder or such other person) payable on account of the transfer to such person of such Shares will be deducted from the purchase price unless satisfactory evidence of the payment of such

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taxes, or exemption therefrom, is submitted. The Fund will not pay any interest on the purchase price under any circumstances.

As noted above, Merrill Lynch may charge its customers a \$4.85 processing fee to confirm a purchase of Shares from such customers pursuant to the Offer.

6. CERTAIN CONDITIONS OF THE OFFER. The Fund shall not be required to accept for payment or pay for any Shares tendered, and may terminate or amend the Offer or may postpone the acceptance for payment of or payment for Shares tendered, if: (1) such purchases would impair the Fund's status as a regulated investment company under the Internal Revenue Code (which would make the Fund a taxable entity, causing the Fund's income to be taxed at the corporate level in addition to the taxation of stockholders who receive dividends from the Fund); (2) the Fund would not be able to liquidate portfolio securities in a manner which is orderly and consistent with the Fund's investment objective and policies in order to purchase Shares tendered pursuant to the Offer; or (3) there is, in the Board of Directors' judgment, any (a) legal action or proceeding instituted or threatened challenging the Offer or otherwise materially adversely affecting the Fund, (b) declaration of a banking moratorium by Federal or state authorities or any suspension of payment by banks in the United States or New York State, which is material to the Fund, (c) limitation imposed by Federal or state authorities on the extension of credit by lending institutions, (d) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States which is material to the Fund, or (e) other event or condition which would have a material adverse effect on the Fund or its stockholders if Shares tendered pursuant to the Offer were purchased.

If the Fund determines to amend the Offer or to postpone the acceptance for payment of or payment for Shares tendered, it will, to the extent necessary, extend the period of time during which the Offer is open as provided in Section 14. Moreover, in the event any of the foregoing conditions are modified or waived in whole or in part at any time, the Fund will promptly make a public announcement of such waiver and may, depending on the materiality of the modification or waiver, extend the Offer period as provided in Section 14.

7. PURPOSE OF THE OFFER. The Fund does not currently believe there will be an active secondary market for its Shares. The Board of Directors has determined that it would be in the best interest of stockholders for the Fund to take action to attempt to provide liquidity to stockholders. To that end, the Directors presently intend each quarter to consider the making of a tender offer to purchase the Shares at NAV. The Fund will at no time be required to make any such tender offer.

8. CERTAIN EFFECTS OF THE OFFER. The purchase of Shares pursuant to the Offer will have the effect of increasing the proportionate interest in the Fund of stockholders who do not tender their Shares. If you retain your Shares, however, you will be subject to any increased risks that may result from the reduction in the Fund's aggregate assets resulting from payment for the Shares, including, for example, the potential for greater volatility due to decreased diversification and higher expenses. However, the Fund believes that those risks will be reduced to the extent new Shares of the Fund are sold. All Shares purchased by the Fund pursuant to the Offer will be retired by the Board of Directors of the Fund.

9. SOURCE AND AMOUNT OF FUNDS. The aggregate purchase price if 1,500,000 Shares are tendered and accepted for payment pursuant to the Offer will be approximately \$17,205,000. The Fund anticipates that the purchase price for any Shares acquired pursuant to the Offer will first be derived from cash on hand, and then from the proceeds from the sale of cash equivalents held by the Fund. Although the Fund is authorized to borrow money to finance the purchase of Shares pursuant to tender offers, the Board of Directors believes that the Fund currently has sufficient liquidity to repurchase the Shares without such borrowing. However, if, in the judgment of the Directors, there is not sufficient liquidity of the assets of the Fund to pay for tendered Shares, the

Fund may, within the limits set forth in the Prospectus, borrow money as described above or may terminate the Offer.

10. SUMMARY OF SELECTED FINANCIAL INFORMATION. Set forth below is a summary of selected financial information for the Fund for the fiscal years ended August 31, 1992 and 1993. This information has been excerpted from the Fund's audited financial statements contained in its Annual Reports to Stockholders for the indicated periods. More comprehensive financial information is included in such financial statements (copies of which have been filed as exhibits to the Schedule 13E-4 filed with the Securities and Exchange Commission (the "Commission") and may be obtained from the Transfer Agent) and the summary of selected financial information set forth below is qualified in its entirety by reference to such documents and the financial information, the notes thereto and related matter contained therein.

SUMMARY OF SELECTED FINANCIAL INFORMATION
(IN 000'S EXCEPT PER SHARE DATA)

<TABLE>	YEAR ENDED AUGUST 31, 1992	YEAR ENDED AUGUST 31, 1993
<S>	<C>	<C>
INCOME STATEMENT		
Investment income.....	\$ 11,591	\$ 14,223
Expenses.....	1,850	2,591
Investment income--net.....	\$ 9,741	\$ 11,632
REALIZED AND UNREALIZED GAIN ON INVESTMENTS		
Realized gain on investments--net.....	679	1,138
Change in unrealized appreciation on investments--net.....	6,517	12,041
FINANCIAL HIGHLIGHTS (AT END OF PERIOD)		
Total assets.....	\$ 174,903	\$ 222,600
Total liabilities.....	4,168	5,678
Net assets.....	\$ 170,735	\$ 216,922
Net asset value per share.....	\$ 10.74	\$ 11.44
Shares of common stock outstanding.....	15,893	18,966
PER SHARE		
Investment income--net.....	\$.71	\$.68
Dividends from net investment income to common stockholders.....	\$.71	\$.68
Distributions from net realized gain on investments to common stockholders.....	\$.05	\$.05
RATIOS		
Total expenses, net of reimbursement, to average net assets.....	1.30%	1.37%
Total expenses to average net assets.....	1.55%	1.47%
Investment income--net, to average net assets.....	6.85%	6.17%
</TABLE>		

11. CERTAIN INFORMATION ABOUT THE FUND. The Fund was incorporated under the laws of the State of Maryland on August 16, 1990 and is a non-diversified, closed-end, management investment company registered under the Investment Company Act of 1940, as amended. The investment objective of the Fund is to provide stockholders with high current income exempt from Federal income taxes by investing primarily in a portfolio of medium to lower grade or unrated municipal obligations the interest on which is exempt from Federal income taxes in the opinion of bond counsel to the issuer. The Fund will seek to achieve its objective by investing at least 80% of its assets, except during temporary defensive periods, in a portfolio of obligations issued by or on behalf of states, territories and possessions of the United States and their political subdivisions, agencies or instrumentalities paying interest which, in the opinion of bond counsel to the issuer, is exempt from Federal income taxes ("Municipal Bonds"). MLAM, an affiliate of Merrill Lynch, acts as investment adviser and administrator for the Fund.

There have not been any transactions involving the Shares of the Fund that were effected during the past 40 business days by the Fund, any executive officer or Director of the Fund, any person controlling the Fund, any executive officer or Director of any corporation ultimately in control of the Fund or by any associate or subsidiary of any of the foregoing including any executive officer or Director of any such subsidiary, except that within the past 40 business days pursuant to a continuous public offering of its Shares, the Fund has sold approximately 473,600 Shares at the NAV per Share on the date of each such sale.

The Fund has been granted an exemption by the Commission relating to tender offers which is based on representations by the Fund that no secondary market for the Fund's Shares is expected to develop. The exemption is conditioned on (1) the absence of a secondary market, (2) the Fund suspending the offering of its Shares during the five business days preceding the termination of a tender offer and (3) the Fund refraining from purchasing non-investment grade and unrated Municipal Bonds in secondary market transactions during such five business day period.

The principal executive offices of the Fund are located at 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

12. ADDITIONAL INFORMATION. The Fund has filed a statement on Schedule 13E-4 with the Commission which includes certain additional information relating to the Offer. Such material may be inspected and copied at prescribed rates at the Commission's public reference facilities at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549; Seven World Trade Center, New York, New York 10048; and 230 South Dearborn Street, Chicago, Illinois 60604. Copies of such material may also be obtained by mail at prescribed rates from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549.

13. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The following discussion is a general summary of the Federal income tax consequences of a sale of Shares pursuant to the Offer. You should consult your own tax adviser for a complete description of the tax consequences to you of a sale of Shares pursuant to the Offer.

The sale of Shares pursuant to the Offer will be a taxable transaction for Federal income tax purposes, either as a "sale or exchange," or under certain circumstances, as a "dividend." In general, the transaction should be treated as a sale or exchange of the Shares under Section 302 of the Internal Revenue Code of 1986, as amended (the "Code"), if the receipt of cash: (a) is "substantially disproportionate" with respect to the stockholder, (b) results in a "complete redemption" of the stockholder's interest in the Fund, or (c) is "not essentially equivalent to a dividend" with respect to the stockholder. A "complete redemption" of a stockholder's interest generally requires that the stockholder dispose of all Shares directly owned or attributed to the stockholder under Section 318 of the Code. A "substantially disproportionate" distribution generally requires a reduction of at least 20% in the stockholder's proportionate interest in the Fund after all Shares are tendered. A distribution "not

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essentially equivalent to a dividend" requires that there be a "meaningful reduction" in the stockholder's interest, which should be the case if the stockholder has a minimal interest in the Fund, exercises no control over Fund affairs and suffers a reduction in proportionate interest in the Fund.

If any of these three tests for "sale or exchange" treatment is met, you will recognize gain or loss equal to the difference between the amount of cash received pursuant to the Offer and the adjusted tax basis of the Shares sold. Such gain or loss will be a capital gain or loss if the Shares sold have been held by you as a capital asset. In general, capital gain or loss with respect to Shares sold will be long-term capital gain or loss if the holding period for such Shares is more than one year.

If none of the Code Section 302 tests are met, you may be treated as having received, in whole or in part, a dividend, return of capital or capital gain, depending (i) on whether the Fund has sufficient earnings and profits to support a dividend and (ii) on your tax basis in the Shares. The tax basis in the Shares tendered to the Fund will be transferred to any remaining Shares held by you. In addition, if the sale of Shares pursuant to the Offer is treated as a "dividend" to a tendering stockholder, a Code Section 305(c) constructive dividend may result to a non-tendering stockholder whose proportionate interest in the earnings and assets of the Fund has been increased as a result of such tender.

Accordingly, the differentiation between "dividend" and "sale or exchange" treatment is important with respect to the amount and character of income that tendering stockholders are deemed to receive. In addition, while the marginal tax rates for dividends and capital gains are the same for corporate stockholders, currently under the Code, the top income tax rate for individuals (39.6%) exceeds the maximum marginal tax rate on long-term capital gains (28%).

The Transfer Agent will be required to withhold 31% of the gross proceeds paid to a stockholder or other payee pursuant to the Offer unless either: (a) the stockholder has provided the stockholder's taxpayer identification number/social security number and certifies under penalties of perjury: (i) that such number is correct, and (ii) either that (A) the stockholder is not otherwise subject to backup withholding as a result of a failure to report all

interest or dividends, or (B) the Internal Revenue Service has notified the stockholder that the stockholder is no longer subject to backup withholding; or (b) an exception applies under applicable law and Treasury regulations. Foreign stockholders may be required to provide the Transfer Agent with a completed Form W-8, available from the Transfer Agent, in order to avoid 31% backup withholding.

Unless a reduced rate of withholding or a withholding exemption is available under an applicable tax treaty, a stockholder who is a nonresident alien or a foreign entity may be subject to a 30% United States withholding tax on the gross proceeds received by such stockholder, if the proceeds are treated as a "dividend" under the rules described above. Foreign stockholders should consult their tax advisers regarding application of these withholding rules.

14. EXTENSION OF TENDER PERIOD; TERMINATION; AMENDMENTS. The Fund reserves the right, at any time and from time to time, to extend the period of time during which the Offer is pending by making a public announcement thereof. In the event that the Fund so elects to extend the tender period, the NAV for the Shares tendered will be determined as of the close of the New York Stock Exchange on the Expiration Date, as extended. During any such extension, all Shares previously tendered and not purchased or withdrawn will remain subject to the Offer. The Fund also reserves the right, at any time and from time to time up to and including the Expiration Date, to (a) terminate the Offer and not to purchase or pay for any Shares, and (b) amend the Offer in any respect by making a public announcement. Such public announcement will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date and will disclose the approximate number of Shares tendered as of that date. Without limiting the manner in which the Fund may choose to make a public announcement of extension, termination or amendment, except as provided by applicable law (including Rule 13e-4(e)(2)), the Fund shall have no obligation to publish, advertise or

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otherwise communicate any such public announcement, other than by making a release to the Dow Jones News Service.

15. MISCELLANEOUS. The Offer is not being made to, nor will tenders be accepted from, stockholders in any jurisdiction in which the Offer or its acceptance would not comply with the securities or Blue Sky laws of such jurisdiction. The Fund is not aware of any jurisdiction in which the Offer or tenders pursuant thereto would not be in compliance with the laws of such jurisdiction. However, the Fund reserves the right to exclude stockholders from the Offer in any jurisdiction in which it is asserted that the Offer cannot lawfully be made. The Fund believes such exclusion is permissible under applicable tender offer rules, provided the Fund makes a good faith effort to comply with any state law deemed applicable to the Offer. In any jurisdiction the securities or Blue Sky laws of which require the Offer to be made by a licensed broker or dealer the Offer shall be deemed to be made on the Fund's behalf by Merrill Lynch.

MERRILL LYNCH HIGH INCOME
MUNICIPAL BOND FUND, INC.

January 13, 1994

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LETTER OF TRANSMITTAL
TO BE USED TO TENDER SHARES OF
MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
PURSUANT TO THE OFFER TO PURCHASE
DATED JANUARY 13, 1994

THE EXPIRATION DATE AND THE WITHDRAWAL DEADLINE IS 12:00 MIDNIGHT,
NEW YORK CITY TIME, ON THURSDAY, FEBRUARY 10, 1994, UNLESS EXTENDED

Transfer Agent:

FINANCIAL DATA SERVICES, INC.
ATTENTION: MERRILL LYNCH HIGH INCOME MUNICIPAL BOND FUND, INC.
TRANSFER AGENCY OPERATIONS DEPARTMENT
P.O. BOX 45289
JACKSONVILLE, FLORIDA 32232-5289

TELEPHONE INFORMATION NUMBER: (904) 928-5510

DELIVERY TO AN ADDRESS OTHER THAN THAT SHOWN ABOVE DOES NOT CONSTITUTE VALID
DELIVERY.

THIS LETTER OF TRANSMITTAL IS TO BE USED ONLY IF THE STOCKHOLDER IS A
RECORD OWNER OF SHARES WHO DESIRES TO EFFECT THE TENDER OFFER TRANSACTION
HIMSELF BY TRANSMITTING THE NECESSARY DOCUMENTS TO THE FUND'S TRANSFER AGENT AND
DOES NOT INTEND TO REQUEST HIS BROKER OR DEALER TO EFFECT THE TRANSACTION FOR
HIM. A STOCKHOLDER WHO HOLDS SHARES IN A MERRILL LYNCH ACCOUNT OR THROUGH
ANOTHER BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE IS NOT
THE RECORD OWNER AND SHOULD INSTRUCT HIS FINANCIAL CONSULTANT OR SUCH OTHER
NOMINEE TO EFFECT THE TENDER ON HIS BEHALF.

PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Gentlemen:

The undersigned hereby tenders to the Merrill Lynch High Income Municipal
Bond Fund, Inc., a closed-end investment company incorporated under the laws of
the State of Maryland (the "Fund"), the shares described below of its common
stock, par value \$.10 per share (the "Shares"), at a price equal to the net
asset value per Share ("NAV") calculated on the Expiration Date (as defined in
the Offer to Purchase), in cash, less any applicable Early Withdrawal Charge,
upon the terms and conditions set forth in the Offer to Purchase dated January
13, 1994, receipt of which is hereby acknowledged, and in this Letter of
Transmittal (which together constitute the "Offer").

The undersigned hereby sells to the Fund all Shares tendered hereby that
are purchased pursuant to the Offer and hereby irrevocably constitutes and
appoints the Transfer Agent as attorney in fact of the undersigned, with full
power of substitution (such power of attorney being deemed to be an irrevocable
power coupled with an interest), to present such Shares and any Share
certificates for cancellation of such Shares on the Fund's books. The
undersigned hereby warrants that the undersigned has full authority to sell the
Shares tendered hereby and that the Fund will acquire good title thereto, free
and clear of all liens, charges, encumbrances, conditional sales agreements or
other obligations relating to the sale thereof, and not subject to any adverse
claim, when and to the extent the same are purchased by it. Upon request, the
undersigned will execute and deliver any additional documents necessary to
complete the sale in accordance with the terms of the Offer.

The undersigned recognizes that under certain circumstances set forth in
the Offer to Purchase, the Fund may not be required to purchase any of the
Shares tendered hereby. In that event, the undersigned understands that, in the
case of Shares evidenced by certificates, the certificate(s) for any Shares not
purchased will be returned to the undersigned at the address indicated below. In
the case of Shares not evidenced by certificates and held in an Investment
Account, the Transfer Agent will cancel the tender order and no Shares will be
withdrawn from the Account.

The check for the purchase price for the tendered Shares purchased will be
issued to the order of the undersigned and mailed to the address indicated in
the "Description of Shares Tendered" table below.

All authority herein conferred or agreed to be conferred shall survive the

death or incapacity of the undersigned and the obligation of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer, this tender is irrevocable.

DESCRIPTION OF SHARES TENDERED
(SEE INSTRUCTIONS 3 AND 4)

<TABLE> <S> NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN EXACTLY THE NAME(S) IN WHICH SHARES ARE REGISTERED)	<C> CERTIFICATE NO. (S) *	<C> SHARES TENDERED (ATTACH ADDITIONAL SCHEDULE IF NECESSARY) NO. OF SHARES LISTED ON CERTIFICATE*	<C> NO. OF SHARES TENDERED**
Account No.	Total Shares Tendered.....		

* Need not be completed by stockholders whose Shares are not evidenced by certificates.

** To be completed by all tendering stockholders, whether or not your Shares are evidenced by certificates. If you desire to tender fewer than all Shares held in your account or evidenced by a certificate listed above, please indicate in this column the number you wish to tender. Otherwise all Shares evidenced by such certificate or held in your account will be deemed to have been tendered.

SIGNATURE FORM
--SIGN HERE--
(SEE INSTRUCTIONS 1, 5 AND 8)

Social Security No.
or Taxpayer Identification No.

Under penalty of perjury, I certify (1) that the number set forth above is my correct Social Security No. or Taxpayer Identification No. and (2) that I am not subject to backup withholding either because I have not been notified that I am subject thereto as a result of failure to report all interest or dividends, or the Internal Revenue Service ("IRS") has notified me that I am no longer subject thereto. INSTRUCTION: You must strike out the language in (2) above if you have been notified that you are subject to backup withholding due to underreporting and you have not received a notice from the IRS that backup withholding has been terminated.

.....
.....

(SIGNATURE(S) OF OWNER(S) EXACTLY AS REGISTERED)

Date , 1994
Name(s)

(PLEASE PRINT)

Telephone Number ()
Signature(s) Guaranteed

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. GUARANTEE OF SIGNATURES. All signatures on this Letter of Transmittal must be guaranteed by a member firm of a registered national securities exchange, or a commercial bank or trust company having an office, branch or agency in the United States. This Letter of Transmittal is to be used only if you may effect the tender offer transaction yourself and do not intend to request your broker or dealer to effect the transaction for you.
2. DELIVERY OF LETTER OF TRANSMITTAL AND CERTIFICATES. Certificates for all tendered Shares, together with a properly completed and duly executed Letter of Transmittal, should be mailed or delivered to the Transfer Agent on or prior to

the Expiration Date at the appropriate address set forth herein and must be received by the Transfer Agent prior to the Expiration Date.

THE METHOD OF DELIVERY OF ALL DOCUMENTS, INCLUDING CERTIFICATES FOR SHARES, IS AT THE ELECTION AND RISK OF THE TENDERING STOCKHOLDER.

3. INADEQUATE SPACE. If the space provided is inadequate, the certificate numbers and number of Shares should be listed on a separate signed schedule attached hereto.

4. PARTIAL TENDERS. If fewer than all of the Shares in your Investment Account or evidenced by any certificate submitted are to be tendered, fill in the number of Shares which are to be tendered in the column entitled "No. of Shares Tendered." If applicable, a new certificate for the remainder of the Shares evidenced by your old certificate(s) will be sent to you as soon as practicable after the Expiration Date of the Offer. All Shares represented by each certificate listed or in your Investment Account are deemed to have been tendered unless otherwise indicated.

5. SIGNATURES ON LETTER OF TRANSMITTAL, AUTHORIZATION AND ENDORSEMENTS.

(a) If the Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) in which the Shares are registered.

(b) If the Shares are held of record by two or more joint holders, all such holders must sign this Letter of Transmittal.

(c) If any tendered Shares are registered in different names it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of Shares.

(d) When this Letter of Transmittal is signed by the registered holder(s) of the Shares listed and, if applicable, of the certificates transmitted hereby, no endorsements of certificates or separate authorizations are required.

(e) If this Letter of Transmittal or any certificates or authorizations are signed by trustees, executors, administrators, guardians, attorneys in fact, officers of corporations or others acting in a fiduciary or representative capacity, such persons should so indicate when signing, and must submit proper evidence satisfactory to the Fund of their authority so to act.

6. TRANSFER TAXES. The Fund will pay all the taxes, if any, payable on the transfer to it of Shares purchased pursuant to the Offer. If tendered certificates are registered in the name of any person other than the person(s) signing this Letter of Transmittal, the amount of any transfer taxes (whether imposed on the registered holder or such other person) payable on account of the transfer to such person of such Shares will be deducted from the purchase price unless satisfactory evidence of the payment of such taxes, or exemption therefrom, is submitted.

7. IRREGULARITIES. All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tender of Shares will be determined by the Fund, whose determinations shall be final and binding. The Fund reserves the absolute right to reject any or all tenders determined by it not to be in appropriate form or the acceptance of or payment for which would, in the opinion of counsel for the Fund, be unlawful. The Fund also reserves the absolute right to waive any of the conditions of the Offer or any defect in any tender with respect to any particular Shares or any particular stockholder, and the Fund's interpretations of the terms and conditions of the Offer (including these instructions) will be final and binding. Unless waived, any defects or irregularities in connection with tenders must be cured within such time as the Fund shall determine. Tenders will not be deemed to have been made until all defects and irregularities have been cured or waived. Neither the Fund, Merrill Lynch Asset Management, L.P. nor the Transfer Agent, nor any other person shall be obligated to give notice of defects or irregularities in tenders, nor shall any of them incur any liability for failure to give any such notice.

8. IMPORTANT TAX INFORMATION. Under Federal income tax law, a stockholder whose tendered Shares are accepted for payment is required by law to provide the Transfer Agent (as payer) with his correct taxpayer identification number, which is accomplished by completing and signing the Signature Form.

Dear Stockholder:

As you requested, we are enclosing a copy of the Merrill Lynch High Income Municipal Bond Fund, Inc. (the "Fund") Offer to Purchase (the "Offer to Purchase") 1,500,000 issued and outstanding shares (the "Shares"). The Offer to Purchase is for cash at Net Asset Value ("NAV") per Share as of the expiration date of the Offer, less any Early Withdrawal Charge. Together with the Offer to Purchase we are sending you a Letter of Transmittal (the "Letter") for use by holders of record of Shares which you should read carefully. Certain selected financial information with respect to the Fund is set forth in the Offer to Purchase.

If, after reviewing the information set forth in the Offer to Purchase and Letter, you wish to tender Shares for purchase by the Fund, please either contact your Merrill Lynch Financial Consultant or other broker, dealer or nominee to effect the tender for you or, if you are the record owner of the Shares, you may follow the instructions contained in the Offer to Purchase and Letter.

Neither the Fund nor its Board of Directors is making any recommendation to any holder of Shares as to whether to tender Shares. Each stockholder is urged to consult his or her broker or tax adviser before deciding whether to tender any Shares.

The Fund's distribution rate for the period November 19, 1993 through December 31, 1993, based on the amounts actually distributed by the Fund, was 5.72% based on the December 31, 1993 NAV of \$11.46. For the quarter ended December 31, 1993, the Fund's highest NAV was \$11.60 and its lowest NAV was \$11.40. The Fund's NAV on January 7, 1994 was \$11.47 per share. The Fund publishes its NAV each week in Barron's. It appears in the "Investment Company Institute List" under the sub-heading "Closed-End Bond Funds" within the listings of mutual funds and closed-end funds.

Requests for current NAV quotations or for additional copies of the Offer to Purchase, the Letter and any other tender offer documents may be directed to the Merrill Lynch Response Center at (800) 637-7455, ext. 7866.

Should you have any other questions on the enclosed material, please do not hesitate to contact your Merrill Lynch Financial Consultant or other broker or dealer or call the Fund's Transfer Agent, Financial Data Services, Inc., at (904) 928-5510. We appreciate your continued interest in Merrill Lynch High Income Municipal Bond Fund, Inc.

Yours truly,
MERRILL LYNCH, PIERCE, FENNER & SMITH
INCORPORATED

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders,
Merrill Lynch High Income Municipal
Bond Fund, Inc.:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Merrill Lynch High Income Municipal Bond Fund, Inc. as of August 31, 1993, the related statements of operations for the year then ended and changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the two-year period then ended and the period November 2, 1990 (commencement of operations) to August 31, 1991. These financial statements and the financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and the financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned at August 31, 1993 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and financial highlights present fairly, in all material respects, the financial position of Merrill Lynch High Income Municipal Bond Fund, Inc. as of August 31, 1993, the results of its operations, the changes in its net assets, and the financial highlights for the respective stated periods in conformity with generally accepted accounting principles.

Deloitte & Touche
Princeton, New Jersey
September 30, 1993

PORTFOLIO ABBREVIATIONS

To simplify the listing 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
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
VRDN Variable Rate Demand Notes

<TABLE>

SCHEDULE OF INVESTMENTS

(in Thousands)

<CAPTION>				Value
S&P	Moody's	Face	Issue	(Note 1a)
<S>	<S>	<C>	<S>	<C>
State				
Arizona--2.1%				
NR	Ba	\$3,000	Arizona Health Facilities Authority, Hospital Systems Revenue Refunding Bonds (Saint Luke's Health Systems), 7.25% due 11/01/2014	\$ 3,151
NR	NR	1,490	Pima County, Arizona, IDA, Revenue Bonds (La Hacienda	

California--2.4%			Project), 9.50% due 12/01/2016	1,509
NR	NR	2,000	Los Angeles County, California, COP, Marina Del Rey, Series A, 6.25% due 7/01/2003	2,080
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	3,152
Colorado--6.1%				
BBB	Baa	2,000	Colorado Health Facilities Authority, Hospital Revenue Bonds (Healthcare Systems Project), 6.87% due 2/15/2023	2,111
BBB	NR	1,000	Colorado Health Facilities Financial Authority, Revenue Refunding Bonds (National Jewish Center Immunization Project), 6.875% due 2/15/2012	1,068
BBB	Baa1	900	Denver, Colorado, City and County Airport Revenue Bonds: AMT, Series A, 8% due 11/15/2025	1,011
BBB	Baa1	2,000	AMT, Series B, 7.50% due 11/15/2025	2,133
BBB	Baa1	2,000	AMT, Series D, 7.75% due 11/15/2013	2,396
BBB	Baa1	2,000	Series A, 7.25% due 11/15/2025	2,195
NR	NR	2,000	Mountain Village Metropolitan District, Colorado, Refunding Bonds (San Miguel County), 8.10% due 12/01/2011(h)	2,236
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	4,519
NR	NR	1,975	New Haven, Connecticut, Facilities Revenue Bonds (Hill Health Corporation Project), 9.25% due 5/01/2017	2,143
District of Columbia--1.5%				
BBB	NR	3,000	District of Columbia, COP, 7.30% due 1/01/2013	3,328
Florida--1.8%				
A1+	VMG1	500	Hillsborough County, Florida, IDA, PCR, Refunding (Tampa Electric Company), VRDN, 2.30% due 5/15/2018 (a)	500
A-	NR	3,000	Palm Beach County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Good Samaritan Health Systems), 6.30% due 10/01/2022	3,153
A-3	VMG2	200	Sarasota County, Florida, Health Facilities Authority Revenue Bonds (Venice Hospital Project), VRDN, 2.50% due 12/01/2015 (a)	200

</TABLE>

<TABLE>

SCHEDULE OF INVESTMENTS (continued)

(in Thousands)

<CAPTION>				Value
S&P Ratings	Moody's Ratings	Face Amount	Issue	(Note 1a)
<S>	<S>	<C>	<S>	<C>
State				
Georgia--2.1%				
NR	NR	\$2,550	Atlanta, Georgia, Urban Residential Finance Authority, College Facilities Revenue Bonds (Morris Brown College Project), 9.50% due 6/01/2011	\$ 2,499
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	2,060
Hawaii--1.0%				
AAA	NR	1,750	Hawaii State Department of Budget and Finance, Special Purpose Mortgage Revenue Bonds (Citizens Utility Company), RIB, Series 91-B, 10.379% due 11/01/2021 (g)	2,126
Illinois--2.7%				
BBB-	Baa1	490	Chicago, Illinois, O'Hare International Airport, Special Facilities Revenue Bonds (United Airlines), AMT, Series B, 8.95% due 5/01/2018	567
BBB+	NR	2,000	Illinois Educational Facilities Authority Revenue Bonds (Chicago Osteopathic Health System), 7.25% due 5/15/2022	2,134
BBB+	NR	2,000	Illinois Health Facilities Authority Revenue Bonds (Morris Hospital), 6.125% due 12/01/2023	1,985
BBB	NR	1,000	Lansing, Illinois, Tax Increment Revenue Refunding Bonds, 7% due 12/01/2008	1,087
Indiana--0.8%				
A	NR	1,500	Indiana Bond Bank, Special Hospital Program Revenue Bonds (Hendricks), Series A, 7.125% due 4/01/2013	1,677
Kentucky--2.3%				
AAA	Aaa	4,000	Louisville, Kentucky, Hospital Revenue Bonds, INFLOS, 10.196% due 10/01/2014 (b) (g)	4,890
Louisiana--6.3%				
NR	Ba1	3,500	Lake Charles, Louisiana, Harbor and Terminal District Refunding Bonds (Trunkline LNG Company Project), 7.75% due 8/15/2022	4,032
BBB+	Baa1	1,000	Louisiana Public Facilities Authority, Hospital Revenue Bonds (Woman's Hospital Foundation Project), 7.25% due 10/01/2022	1,097
NR	A	2,770	Louisiana Public Facilities Authority, Student Loan Revenue Bonds, AMT, Series A-3, 7% due 9/01/2006	2,998
BB-	NR	3,000	Port New Orleans, Louisiana, IDA, Revenue Refunding Bonds (Continental Grain Company Project), 7.50% due 7/01/2013	3,148

BBB-	NR	2,000	West Feliciana Parish, Louisiana, PCR (Gulf States Utilities), Series II, 7.70% due 12/01/2014	2,282
Maryland--1.0%				
NR	Baal	2,000	Prince George's County, Maryland, Hospital Revenue Bonds (Dimensions Health Corporation), 7% due 7/01/2022	2,167
Massachusetts--7.0%				
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	1,311
NR	Ba	1,850	Lawrence, Massachusetts, GO, 9.875% due 12/15/1998	2,243
AAA	Aaa	3,500	Massachusetts Health and Educational Facilities Authority Revenue Bonds, INFLOS (Beth Israel Hospital), 9.09% due 7/01/2025 (e)(g)	3,942
NR	NR	1,505	Massachusetts Health and Educational Facilities Authority Revenue Bonds (North Adams Regional Hospital), Series B, 8% due 7/01/1998	1,586
NR	NR	3,000	Massachusetts Port Authority Revenue Bonds (Harborside Hyatt Project), AMT, 10% due 3/01/2026	3,255
A-	A	3,135	Massachusetts Water Resources Authority, Revenue Refunding Bonds, Series B, 5% due 3/01/2022	2,869

</TABLE>

<TABLE>

SCHEDULE OF INVESTMENTS (continued)

(in Thousands)

<CAPTION>

S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<C>	<S>	<C>
State				
Michigan--1.6%				
BBB	Ba1	\$2,900	Detroit, Michigan, GO, Series A, 8.70% due 4/01/2010	\$ 3,438
Minnesota--2.7%				
BBB-	Baa	4,865	Saint Paul, Minnesota, Housing and Redevelopment Authority, Hospital Revenue Bonds (Healtheast Project), Series D, 9.75% due 11/01/2017	5,799
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	1,086
Missouri--5.2%				
BBB-	NR	3,000	Joplin, Missouri, IDA, Hospital Facilities Revenue Refunding and Improvement Bonds (Tri-State Osteopathic Project), 8.25% due 12/15/2014	3,445
			Missouri Health and Educational Facilities Authority Revenue Bonds (Southwest Baptist University Project):	
BB	NR	905	9.50% due 10/01/2001	1,055
BB	NR	3,690	9.50% due 10/01/2011	4,363
AAA	Aaa	2,000	Phelps County, Missouri, Hospital Revenue Bonds (Phelps County Regional Medical Center), 8.30% due 3/01/2020 (d)	2,467
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	2,046
New Hampshire--2.7%				
BBB+	Baal	1,845	New Hampshire Higher Educational and Health Facilities Authority Revenue Bonds (Saint Joseph Hospital), 7.50% due 1/01/2016	2,037
BBB-	Baa3	3,450	New Hampshire, IDA, PCR (Public Service Company New Hampshire Project), Series B, 7.50% due 5/01/2021	3,876
New Jersey--6.0%				
BBB+	Baal	2,000	Camden County, New Jersey, Pollution Control Financing Authority, Solid Waste Resource Recovery Revenue Bonds, Series D, 7.25% due 12/01/2010	2,228
			New Jersey Health Care Facilities, Financing Authority Revenue Bonds:	
BBB-	Baa	4,700	(Saint Elizabeth Hospital), Series B, 8.25% due 7/01/2020	5,345
NR	NR	5,000	(Shoreline Behavioral), Series A, 9.90% due 7/01/2021	5,000
AAA	Aaa	480	New Jersey Housing and Mortgage Finance Agency Revenue Bonds (Home Buyer), AMT, Series F, 7.95% due 4/01/2025 (b)	504
New Mexico--1.8%				
BB+	Ba2	2,000	Farmington, New Mexico, PCR, Refunding (Public Service Company-San Juan Project), Series A, 6.40% due 8/15/2023	2,025
A-	A3	1,750	Lordsburg, New Mexico, PCR, Refunding (Phelps Dodge Corporate Project), 6.50% due 4/01/2013	1,875
New York--5.7%				
			New York City, New York, GO:	
A-	Aaa	4,000	Series B, 8.25% due 6/01/2017 (d)(h)	5,043
A-	Baal	5,260	Series C, 7.50% due 8/01/2021	6,086
A-	Aaa	995	Series F, 8.25% due 11/15/2019 (d)	1,266
A-	Baal	5	Series F, 8.25% due 11/15/2019(h)	6

Ohio--2.0%

NR	NR	1,900	Cincinnati, Ohio, Student Loan Funding Corporation, Revenue Refunding Bonds, AMT, Series B, 6.75% due 1/01/2007	2,041
AAA	Aaa	2,000	Ohio, HFA, S/F Mortgage Revenue Bonds, Series A-2, AMT, RIB, 10.886% due 3/24/2031 (c)(g)	2,285

</TABLE>

<TABLE>
SCHEDULE OF INVESTMENTS (continued)

(in Thousands)

<CAPTION>				
S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<C>	<S>	<C>
State				
Oregon--0.3%				
A1+	VMG1	\$ 700	Medford, Oregon, Hospital Facilities Authority Revenue Bonds (Gross Rogue Valley Health Services), DATES, 2.70% due 10/01/2016 (a)	\$ 700
Pennsylvania--7.7%				
BBB-	NR	5,000	McKean County, Pennsylvania, Hospital Authority Revenue Bonds (Bradford Hospital Project), 8.875% due 10/01/2020	5,923
BBB	NR	1,710	Montgomery County, Pennsylvania, Higher Education and Health Authority, Hospital Revenue Bonds (Jeanes Health System Project), 8.625% due 7/01/2007 (d)	2,163
NR	NR	1,500	Montgomery County, Pennsylvania, IDA, Revenue Refunding Bonds (1st Mortgage--Meadowood Corporation Project), Series A, 10.25% due 12/01/2020	1,575
NR	NR	2,000	Pennsylvania Economic Development Financing Authority, IDR (GEHL Company Inc. Project), AMT, Series F, 9% due 9/01/2010	1,920
BBB-	Baa1	2,000	Philadelphia, Pennsylvania, Hospitals and Higher Education Facilities Authority, Hospital Revenue Bonds (Frankford Hospital), Series A, 6% due 6/01/2023	2,003
NR	NR	3,000	Washington County, Pennsylvania, Hospital Authority Revenue Bonds (Canonsburg General Hospital Project), 7.35% due 6/01/2013	2,992
Rhode Island--2.2%				
BBB+	NR	1,500	Rhode Island Health and Educational Building Corporation, Hospital Revenue Bonds (South County Hospital), 7.25% due 11/01/2011	1,641
A	NR	1,080	Rhode Island Housing and Mortgage Finance Corporation Revenue Bonds (Rental Housing Program), Series A, 7.95% due 10/01/2010	1,175
NR	Ba	2,000	West Warwick, Rhode Island, GO, Series A, 6.80% due 7/15/1998 (h)	2,049
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	1,598
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	1,103
Tennessee--3.4%				
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	4,654
BBB	Baa1	2,500	McMinn County, Tennessee, Industrial Development Board Solid Waste Disposal Revenue Bonds, (Calhoun Newsprint) AMT, 7.40% due 12/01/2022	2,782
Texas--12.2%				
NR	A1	2,000	Abilene, Texas, Higher Education Authority, Student Loan Revenue Bonds, AMT, Series C, 6.10% due 7/01/2008	2,057
BBB	Baa2	5,750	Brazos River Authority, Texas, PCR (Texas Utilities Electric Company), AMT, Series A, 8.125% due 2/01/2020	6,651
BB+	Baa2	3,000	Dallas-Fort Worth, Texas, International Airport Facilities Improvement Corporation Revenue Bonds (American Airlines), AMT, 7.25% due 11/01/2030	3,184
BBB	Baa1	1,500	Ector County, Texas, Hospital Revenue Bonds (Medical Center Hospital), 7.30% due 4/15/2012	1,633
BBB	Baa1	1,500	Gulf Coast, Texas, Waste Disposal Authority Revenue Bonds (Champion International), AMT, Series A, 6.875% due 12/01/2028	1,611

</TABLE>

<TABLE>
SCHEDULE OF INVESTMENTS (concluded)

(in Thousands)

<CAPTION>				
S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
<S>	<S>	<C>	<S>	<C>
State				
Texas (concluded)				
NR	NR	\$1,000	Gulf Coast, Texas, Waste Disposal Authority Revenue Bonds, PCR and Solid Waste Disposal (Diamond Shamrock Corporation	

A-	Baal	1,500	Project), 6.75% due 6/01/2009 Harris County, Texas, Industrial Development Corporation, Marine Terminal Revenue Refunding Bonds (GATX Terminals Corporation Project), 6.95% due 2/01/2022	\$ 1,013
BBB-	Baa	4,960	Jefferson County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Baptist Healthcare Systems Project), 8.875% due 6/01/2021	1,641
BBB	NR	1,500	Midland County, Texas, Hospital District Revenue Bonds (Midland Memorial Hospital), 7.50% due 6/01/2016	5,791
NR	NR	1,845	Swisher County, Texas, Jail Facilities Financing Corporation Revenue Bonds (Criminal Detention Center), 9.75% due 8/01/2009 (f)	1,660
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	0
Utah--1.7%				
AAA	Aaa	3,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals, Inc.), INFLOS, 10.661% due 5/15/2020 (e)(g)	1,162
Virginia--0.7%				
NR	Baal	500	Rockingham County, Virginia, IDA, Educational Facilities Revenue Bonds (Bridgewater College), 6% due 10/01/2023	3,645
A+	Aa	1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series A, 7.15% due 1/01/2033	504
Wisconsin--1.1%				
NR	B2	2,350	Walworth, Wisconsin, IDA, Refunding (US Gypsum Corporation Project), 7.25% due 5/01/2010	1,084
Total Investments (Cost--\$195,594)--99.8%				2,376
Other Assets Less Liabilities--0.2%				216,446
Net Assets--100.0%				476

				\$216,922
				=====

<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 August 31, 1993.

(b)MBIA Insured.

(c)GNMA Collateralized.

(d)Pre-refunded.

(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 August 31, 1993.

(h)Unlimited Tax.

Ratings of issues shown have not been audited by Deloitte & Touche.

See Notes to Financial Statements.

</TABLE>

FINANCIAL INFORMATION

<TABLE>

<CAPTION>

Statement of Assets and Liabilities as of August 31, 1993

<S>

<S>

<C>

<C>

Assets:	Investments, at value (identified cost--\$195,594,193) (Note 1a)		\$216,445,618
	Receivables:		
	Interest	\$ 3,847,146	
	Capital shares sold	1,163,638	
	Securities sold	902,396	
	Other	116,667	6,029,847

	Deferred organization expenses (Note 1e)		94,739
	Prepaid registration fees and other assets (Note 1e)		30,341

	Total assets		222,600,545

Liabilities:	Payables:		
	Securities purchased	4,473,635	
	Dividends to shareholders (Note 1g)	406,013	
	Investment adviser (Note 2)	192,204	5,071,852

	Accrued expenses and other liabilities		606,275

	Total liabilities		5,678,127

Net Assets:	Net assets	\$216,922,418
Net Assets	Common stock, \$.10 par value, 200,000,000 shares authorized	\$ 1,896,580
Consist of:	Paid-in capital in excess of par	193,583,005
	Undistributed realized capital gains--net	591,408
	Unrealized appreciation on investments--net	20,851,425
	Net assets--Equivalent to \$11.44 per share based on 18,965,803 shares of capital outstanding	\$216,922,418

See Notes to Financial Statements.
</TABLE>

FINANCIAL INFORMATION (continued)
<TABLE>
Statement of Operations
<CAPTION>

<S>	<S>	<C>	For the Year Ended August 31, 1993 <C>
Investment Income (Note 1d):	Interest and amortization of premium and discount earned		\$ 14,223,312
Expenses:	Investment advisory fees (Note 2)	\$ 1,791,108	
	Administrative fees (Note 2)	471,341	
	Transfer agent fees (Note 2)	98,551	
	Professional fees	79,157	
	Printing and shareholder reports	72,269	
	Accounting services (Note 2)	53,421	
	Registration fees	44,800	
	Amortization of organization expenses (Note 1e)	43,665	
	Advertising	41,673	
	Directors' fees and expenses	33,789	
	Custodian fees	19,102	
	Listing	13,500	
	Pricing fees	10,790	
	Other	6,086	
	Total expenses before reimbursement	2,779,252	
	Reimbursement of expenses (Note 2)	(188,538)	
	Total expenses after reimbursement		2,590,714
	Investment income--net		11,632,598
Realized & Unrealized Gain on Investments--Net (Notes 1d & 3):	Realized gain on investments--net		1,137,534
	Change in unrealized appreciation on investments--net		12,041,409
	Net Increase in Net Assets Resulting from Operations		\$ 24,811,541

See Notes to Financial Statements.
</TABLE>

FINANCIAL INFORMATION (continued)
<TABLE>
Statements of Changes in Net Assets
<CAPTION>

<S>	<S>	<C>	<C>	For the Year Ended August 31, 1993 1992
Increase (Decrease) in Net Assets:				
Operations:	Investment income--net	\$ 11,632,598	\$ 9,741,567	
	Realized gain on investments--net	1,137,534	678,548	
	Change in unrealized appreciation on investments--net	12,041,409	6,517,301	
	Net increase in net assets resulting from operations	24,811,541	16,937,416	
Dividends & Distributions to Shareholders (Note 1g):	Investment income--net	(11,632,598)	(9,741,567)	
	Realized gain on investment--net	(851,810)	(638,209)	
	Net decrease in net assets resulting from dividends and distributions to shareholders	(12,484,408)	(10,379,776)	
Capital Share Transactions (Note 4):	Net increase in net assets derived from capital share transactions	33,860,084	49,549,801	
Net Assets:	Total increase in net assets	46,187,217	56,107,441	
	Beginning of year	170,735,201	114,627,760	
	End of year	\$216,922,418	\$170,735,201	

See Notes to Financial Statements.
</TABLE>

FINANCIAL INFORMATION (concluded)
<TABLE>
Financial Highlights
<CAPTION>

The following per share data and ratios have been derived from information provided in the financial statements.

		For the Year Ended		For the Period November 2, 1990++ to
		August 31, 1993	August 31, 1992	1991
<S>	<S>	<C>	<C>	<C>
Increase (Decrease) in Net Asset Value:				
Per Share	Net asset value beginning of period	\$ 10.74	\$ 10.29	\$ 10.00
Operating		-----	-----	-----
Performance:	Investment income--net	.68	.71	.63
	Realized and unrealized gain on investments--net	.75	.50	.29
		-----	-----	-----
	Total from investment operations	1.43	1.21	.92
		-----	-----	-----
Less Dividends	Investment income--net	(.68)	(.71)	(.63)
& Distributions:	Realized gain on investments--net	(.05)	(.05)	--
		-----	-----	-----
	Total dividends and distributions	(.73)	(.76)	(.63)
		-----	-----	-----
	Net asset value, end of period	\$ 11.44	\$ 10.74	\$ 10.29
		=====	=====	=====
Total Investment	Based on net asset value per share	13.83%	12.29%	9.43%+++
Return:**		=====	=====	=====
Ratios to Average	Expenses, net of reimbursement	1.37%	1.30%	.84%*
Net Assets:		=====	=====	=====
	Expenses	1.47%	1.55%	1.76%*
		=====	=====	=====
	Investment income--net	6.17%	6.85%	7.43%*
		=====	=====	=====
Supplemental	Net assets, end of period (in thousands)	\$216,922	\$170,735	\$114,628
Data:		=====	=====	=====
	Portfolio turnover	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 60 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 non-income 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 and Administrative Services Agreements and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Merrill Lynch Asset Management ("MLAM"). MLAM is the name under which Merrill Lynch Investment Management, Inc. ("MLIM") does business. MLIM is an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. The Fund has also entered into a Distribution Agreement with Merrill Lynch Funds Distributor, Inc. ("MLFD"), 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 year ended August 31, 1993, MLAM earned fees of \$2,262,449, of which \$188,538 was waived.

Financial Data Services, Inc. ("FDS"), a wholly-owned subsidiary of Merrill Lynch & Co., Inc., 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 Merrill Lynch & Co., Inc.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended August 31, 1993 were \$88,377,760 and \$52,497,096, respectively.

Net realized and unrealized gains as of August 31, 1993 were as follows:

	Realized Gains	Unrealized Gains
Long-term investments	\$ 1,137,447	\$20,851,425
Short-term investments	87	--
	-----	-----
Total	\$ 1,137,534	\$20,851,425
	=====	=====

As of August 31, 1993, net unrealized appreciation for Federal income tax purposes aggregated \$20,851,425, of which \$22,110,638 related to appreciated securities and \$1,259,213 related to depreciated securities. The aggregate cost of investments at August 31, 1993 for Federal income tax purposes was \$195,594,193.

4. Capital Share Transactions:

Transactions in capital shares were as follows:

For the Year Ended August 31, 1993	Shares	Dollar Amount
Shares sold	4,347,002	\$48,160,844
Shares issued to share- holders in reinvest- ment 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
	=====	=====

For the Year Ended August 31, 1992	Shares	Dollar Amount
Shares sold	5,583,700	\$58,364,181
Shares issued to share- holders in reinvest- ment of dividends and distributions	373,343	3,908,208
	-----	-----
Total issued	5,957,043	62,272,389
Shares tendered	(1,207,745)	(12,722,588)
	-----	-----
Net increase	4,749,298	\$49,549,801
	=====	=====

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders, Merrill Lynch High Income Municipal Bond Fund, Inc.:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Merrill Lynch High Income Municipal Bond Fund, Inc. as of August 31, 1992, the related statements of operations for the year then ended and changes in net assets and the supplementary financial information for the year ended August 31, 1992 and the period November 2, 1990 (commencement of operations) to August 31, 1991. These financial statements and the supplementary financial information are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and the supplementary financial information based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary financial information are free of material

misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned at August 31, 1992 by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates, made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements and supplementary financial information present fairly, in all material respects, the financial position of Merrill Lynch High Income Municipal Bond Fund, Inc. as of August 31, 1992, the results of its operations, the changes in its net assets, and the supplementary financial information for the respective stated periods in conformity with generally accepted accounting principles.

Deloitte & Touche
Princeton, New Jersey
September 30, 1992

SCHEDULE OF INVESTMENTS

(in Thousands)

	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
Arizona - 0.9%	NR	NR	\$1,490	Pima County, Arizona, IDA, Revenue Bonds (La Hacienda Project), 9.50% due 12/01/2016	\$1,490
California 2.5%	NR	VMG1	300	California Health Facilities Financing Authority Revenue Refunding Bonds (Saint Joseph's Health System), VRDN, Series A, 2.65% due 7/01/2013 (a)	300
	A1+	VMG1	1,000	Irvine, California, Apartment Revenue Bonds (San Rafael Apartments Project), VRDN, Series A, 2.85% due 4/01/2022(a)	1,000
	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	3,016

Colorado 4.9%	BBB-	NR	1,000	Colorado Health Facilities Financial Authority Revenue Refunding Bonds (National Jewish Center Immunization Project), 6.875% due 2/15/2012	995
				Denver, Colorado, City and County Airport Revenue Bonds:	
	BBB	Baa1	900	AMT, Series A, 8% due 11/15/2025	963
	BBB	Baa1		AMT, Series D,	
	BBB	Baa1	2,000	7.75% due 11/15/2013	2,202
	NR	NR	2,000	Series A, 7.25% due 11/15/2025	2,065
				Mountain Village Metropolitan District, Colorado, Revenue Refunding Bonds (San Miguel County), 8.10% due 12/0/2011	2,099
Connecticut 3.6%	BBB-	NR	4,000	Connecticut State Health and Educational Facilities Authority Revenue Bonds (New Britain Memorial Hospital), Series A,	
	NR	NR	2,000	7.75% due 7/01/2022	4,228
				New Haven, Connecticut, Facilities Revenue Bonds (Hill Health Corporation Project), 9.25% due 5/01/2017	2,000
Florida - 2.0%	BBB	Baa	3,000	Cape Coral, Florida, Health Facilities	

			Authority Revenue Bonds (Cape Coral Medical Center), 7.50% due 11/15/2021	3,191
A1	VGM1	200	Pinellas County, Florida, Health Facilities Revenue Refunding Bonds (Pooled Hospital Loan Program), DATES, 2.70% due 12/01/2015(a)	200

PORTFOLIO ABBREVIATIONS

To simplify the listing 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 at right.	AMT	Alternative Minimum Tax (subject to)
	DATES	Daily Adjustable Tax-Exempt Securities
	EDA	Economic Development Authority
	GO	General Obligation Bonds
	HFA	Housing Finance Agency
	IDA	Industrial Development Authority
	IDR	Industrial Development Revenue Bonds
	M/F	Multi-Family
	PARS/INFLOS	Periodic Auction Reset Securities/ Inverse Floating Rate Municipal Bonds
	PCR	Pollution Control Revenue Bonds
	RIB	Residual Interest Bonds
	S/F	Single-Family
	VRDN	Variable Rate Demand Notes

	S&P Ratings	Moody's Ratings	Face Amount	Issue	Value (Note 1a)
Georgia - 3.8%	NR	NR	\$2,570	Atlanta, Georgia Urban Residential Finance Authority, College Facilities Revenue Bonds (Morris Brown College Project), 9.50% due 6/01/2011	\$2,665
	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	\$1,990
	BBB+	NR	1,785	White County, Georgia, IDR (Clark Schwebel Fiberglass), 6.85% due 6/01/2010	\$1,796
Hawaii - 1.1%	AAA	NR	1,750	Hawaii Department of Budget and Finance, Special Purpose Mortgage Revenue Bonds. (Citizens Utility Company), RIB, Series 91-B, 10.349% due 11/01/2021 (a)	1,851

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Illinois 3.5%	BBB-	Baa1	500	Chicago, Illinois O'Hare International Airport, Special Facilities Revenue Bonds (United Airlines), AMT, Series B, 8.95% due 5/01/2018	570
------------------	------	------	-----	-------------------------------------------------------------------------------------------------------------------------------------------------------	-----

	BBB+	NR	2,000	Illinois Educational Facilities Authority Revenue Bonds (Chicago Osteopathic Health System), 7.25% due 5/15/2022	2,075
	AAA	Aa			
	BBB	NR	2,175	Illinois State Sales Tax Revenue Bonds, Series I, 7.25% due 6/15/2014	2,320
			1,000	Lansing, Illinois, Tax Increment Revenue Refunding Bonds, 7% due 12/01/2008	998
Indiana - 0.9%	A	NR	1,500	Indiana Bond Bank Special Hospital Program Bonds (Hendricks), Series A, 7.125% due 4/01/2013	1,559
Kentucky 3.8%	BBB	Baa2	2,350	Kenton County, Kentucky, Airport Revenue Bonds (Special Facilities - Delta Airlines Project), Series B, 7.25% due 2/01/2022	2,410
	AAA	Aaa	4,000	Louisville, Kentucky, Hospital Revenue Bonds, PARS/INFLOS, 10.413% due 10/01/2014 (a) (b)	4,160

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Louisiana 4.5%	NR	Ba2	3,500	Lake Charles, Louisiana, Harbor and Terminal District Refunding Bonds (Trunkline Company Project), 7.75% due 8/15/2022	3,500
	BBB+	Baa1	1,000	Louisiana Public	

				Facilities Authority, Hospital Revenue Bonds (Woman's Hospital Foundation Project), 7.25% due 10/01/2022	1,032
AAA	Aaa	905	New Orleans, Louisiana, Home Mortgage Authority, S/F Mortgage Revenue Bonds, AMT, Series A, 8.40% due 12/01/2014(c)		969
	NR	NR	2,000	West Feliciana Parish, Louisiana, PCR (Gulf States Utilities), Series II, 7.70% due 12/01/2014	2,214
Maryland 1.2%	NR	Baa1	2,000	Prince George County, Maryland Hospital Revenue Bonds (Dimensions Health Corporation), 7% due 7/01/2022	2,038

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Massachusetts 4.7%	NR	NR	\$1,200	Boston, Massachusetts, Industrial Development Financing Authority, Solid Revenue Bonds (Jet-A-Way Project), AMT, Waste Disposal Facility 10.50% due 1/01/2011	\$1,224
	NR	Ba	2,380	Lawrence, Massachusetts, GO, 9.875% due 12/15/1998 (e)	2,606
	NR	NR	3,000	Massachusetts Port Authority Revenue Bonds (Harborside Hyatt Project), AMT, 10% due	

	AAA	Aaa	1,000	3/01/2026 Massachusetts State Health and Educational Facilities Authority Revenue Refunding Bonds, RIB (Boston University), Series L, 10.45% due 10/01/2031(a) (b)	3,066 1,068
Michigan 2.3%	BBB	Baa1	2,900	Detroit, Michigan, GO, Series A, 8.70% due 4/01/2010	3,262
	A1	VMG1	100	Michigan State Hospital Finance Authority Bonds (Hospital Equipment Loan Program), VRDN, 2.70% due 6/01/2001(a)	100
	NR	P1	500	Monroe County, Michigan, Economic Development Revenue Refunding Bonds (Detroit Edison), VRDN, Series CC, 2.75% due 10/01/2024(a)	500
Minnesota 3.3%	BB+	Baa	4,920	Saint Paul, Minnesota, Housing and Redevelopment Authority, Hospital Revenue Bonds (Healtheast Project), Series D, 9.75% due 11/01/2017)	5,615

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SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Mississippi 0.6%	NR	Baa	1,000	Mississippi Hospital Equipment and Authority Revenue Bonds (Riley Memorial Hospital), Series B, 7.125% due 5/01/2022	1,015
Missouri 6.1%	BBB-	NR	3,000	Joplin, Missouri, IDA, Hospital Facilities Revenue Refunding and Improvement Bonds (Tri- State Osteopathic Project), 8.25% due 12/15/2014	3,288
	NR	NR	950	Missouri State Health and Educational Facilities Authority Revenue Bonds (Southwest Baptist University Project): 9.50% due 10/01/2001	932
	NR	NR	3,690	9.50% due 10/01/2011	3,967
	BBB+	Baa1	2,000	Phelps County, Missouri, Hospital Revenue Bonds (Phelps County Regional Medical Center), 8.30% due 3/01/2020	2,195
New Hampshire	BBB+	Baa1	\$1,845	New Hampshire Higher	

3.3%

			Educational and Health Facilities Authority Revenue Bonds (Saint Joseph's Hospital), 7.50% due 1/01/2016	\$1,926
BBB-	Baa3	3,450	New Hampshire, IDA, PCR (Public Service Company - New Hampshire Project), Series B, 7.50% due 5/01/2021	3,703

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

New Jersey 9.8%	BBB+	Baal	2,000	Camden County, New Jersey, Pollution Control Financing Authority, Solid Waste Resource Recovery Revenue Bonds, Series D, 7.25% due 12/01/2010	2,112
	NR	P1	300	New Jersey, EDA, Revenue Refunding Bonds (Dow Chemical El Dorado Terminal), VRDN, Series A, 2.50% due 5/01/2001(a) New Jersey Health Care Facilities Financing Authority Revenue Bonds:	300
			5,000	(Riverwood Center), Series A, 9.90% due 7/01/2021	5,032
	NR	NR	4,700	(Saint Elizabeth Hospital), Series B, 8.25% due 7/01/2020	5,036
	BBB-	Baa	1,515	New Jersey Housing and Mortgage Finance Agency Revenue Bonds: (Home Buyer), AMT, Series F, 7.95% due 4/01/2025(b)	1,602
	AAA	Aaa	1,000	(Statewide Mortgage Purchase), Series 1, 10.125% due 10/01/2002	1,070
	A+	A1	1,600	New Jersey Turnpike Authority Revenue Refunding Bonds, VRDN, Series D, 2.40% due 1/01/2018(a) (g)	1,600
New York 6.8%				New York City, New York, GO:	
	A-	Baal	4,000	Series B, 8.25% due 6/01/2017	4,793
	A-	Baal	5,260	Series C, 7.50% due 8/01/2021	5,597
	A-	Baal	1,000	Series F, 8.25% due 11/15/2019	1,175

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Ohio - 3.1%	NR	NR	1,900	Cincinnati, Ohio, Student Loan Funding Corporation Revenue Refunding Bonds, AMT, Series B, 6.75% due 1/01/2007	1,901
	NR	VMG1	200	Cuyahoga County, Ohio, Hospital Revenue Improvement Bonds (University Hospital Cleveland), VRDN, 2.75% due 1/01/2016(a)	200
	AAA	Aaa	3,000	Ohio HFA, S/F Mortgage Revenue Bonds, AMT, RIB, Series A2, 10.957% due 3/24/2031(a) (c)	3,158
Pennsylvania 6.9%	BBB	NR	\$5,000	McKean County, Pennsylvania, Hospital Authority Revenue Bonds (Bradford Hospital Project), 8.875% due 10/01/2020	\$5,546
	BBB	NR	1,710	Montgomery County, Pennsylvania, Higher Education and Health Authority, Hospital Revenue Bonds (Jeanes Health System Project), 8.625% due 7/01/2007	1,910
	NR	NR	1,500	Montgomery County, Pennsylvania, IDA, Revenue Refunding Bonds (1st Mortgage -- Meadowood Corporation Project), Series A, 10.25% due 12/01/2020	1,494

SCHEDULE OF INVESTMENTS (continued) (in Thousands)

NR	NR	2,000	Pennsylvania Economic Development Financing Authority, IDR (GEHL Company Inc. Project), AMT, Series F, 9% due 9/01/2010	1,780
A+	NR	1,000	Pennsylvania State Higher Educational Facilities Authority,	

				College and University Revenue Bonds (Carnegie University), 9% due 11/01/2009	1,129
Rhode Island 1.6%	A	NR	1,080	Rhode Island Housing and Mortgage Finance Corporation (Rental Housing Program), Series A, 7.95% due 10/01/2010	1,139
	BBB+	NR	1,500	Rhode Island State Health and Educational Building Corporation, Hospital Revenue Bonds (South County Hospital), 7.25% due 11/01/2011	1,550
South Carolina 0.8%	AAA	Aaa	1,180	Charleston, South Carolina, Waterworks and Sewer Revenue Bonds, 9.625% due 1/01/2016(d)	1,388
South Dakota 0.6%	BBB	Baa	1,000	South Dakota Health and Educational Facilities Authority Revenue Refunding Bonds (Prairie Lakes Health Care), 7.25% due 4/01/2022	1,012
Tennessee 1.6%	NR	NR	2,765	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	2,832

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SCHEDULE OF INVESTMENTS (continued) (in Thousands)

Texas - 11.2%	BBB	Baa2	\$5,750	Brazos River Authority, Texas, PCR (Texas Utilities Electric Company), AMT, Series A, 8.125% due 2/01/2020	\$6,525
	BBB	Baa1	1,500	Ector County, Texas, Hospital Revenue Bonds (Medical Center Hospital), 7.30% due 4/15/2012	1,547
	BBB-	Baa	5,000	Jefferson County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Baptist Healthcare)	

				Systems Project), 8.875% due 6/01/2021	5,620
BBB	NR	1,500		Midland County, Texas, Hospital District Revenue Bonds (Midland Memorial Hospital), 7.50% due 6/01/2016	1,575
AAA	Aaa	1,000		San Antonio, Texas, Electric and Gas Revenue Bonds, Series B, 9% due 2/01/2014(d)	1,156
NR	NR	3,185		Swisher County, Texas, Jail Facilities Financing Corporation Revenue Bonds (Criminal Detention Center), 9.75% due 8/01/2009(h)	1,561
BBB	Baa2	1,000		West Side Calhoun County, Texas, Navigation District, Solid Waste Disposal Revenue Bonds (Union Carbide Chemical and Plastics), AMT 8.20% due 3/15/2021	1,112

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SCHEDULE OF INVESTMENTS (continued)				(in Thousands)	
Utah - 1.9%	AAA	Aaa	3,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals, Inc.), PARS/INFLOS, 10.681% due 5/15/2020(a) (f)	3,188
Virginia 1.5%	AAA	Aaa	1,500	Fredericksburg, Virginia, IDA, Hospital Facilities Revenue Bonds, PARS/INFLAS, 10.432% due 8/15/2023(a) (g)	1,590
	A+	Aa	1,000	Virginia Housing Development Authority, Commonwealth Mortgage Bonds, Series A, 7.15% due 1/01/2033	1,048
Wisconsin 1.2%	AA	Aa	2,000	Wisconsin Housing and EDA, Homeownership Revenue Bonds, RIB, AMT, 11.223% due 10/25/2022(a)	2,123

Total Investments	\$170,764
(Cost -\$161,954) -	(29)
100.0%	-----
	\$170,735

Liabilities in
Excess of Other
Assets -
(0.0%)

Net Assets -
100.0%

- (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 August 31, 1992.
- (b) MBIA Insured.
- (c) GNMA Collateralized.
- (d) Pre-refunded.
- (e) Mandatory put.
- (f) AMBAC Insured.
- (g) FGIC Insured.
- (h) Non-income producing security. Ratings of issues shown have not been audited by Deloitte & Touche.

See Notes to Financial Statements.

<TABLE> <CAPTION>

FINANCIAL INFORMATION

Statement of Assets and Liabilities as of August 31, 1992

<S>	<C>	<C>	<C>
Assets:	Investments, at value (identified cost - \$161,953,576)		\$170,763,592
	(Note 1a)		155,069
	Cash		
	Receivables:		
	Interest	\$3,264,910	
	Capital shares sold	553,963	3,818,873

	Deferred organization expenses (Note 1e)		148,443
	Prepaid registration fees and other assets (Note 1e)		17,378

	Total assets		174,903,355

Liabilities: Payables:			
	Securities purchased	3,518,837	
	Dividends to shareholders (Note 1g)	326,064	
	Investment adviser (Note 2)	143,575	3,988,476

	Accrued expenses and other liabilities		179,678

	Total liabilities		4,168,154

Net Assets:	Net assets		\$170,735,201
			=====
Net Assets	Common stock, \$.10 par value, 200,000,000 shares		
Consist of:	authorized		\$ 1,589,272
	Paid-in capital in excess of par		160,030,229
	Undistributed realized capital gains - net		305,684
	Unrealized appreciation on investments - net		8,810,016

	Net assets - Equivalent to \$10.74 per share based on		
	15,892,716 shares of capital outstanding		\$170,735,201
			=====

</TABLE>

<TABLE> <CAPTION>

FINANCIAL INFORMATION

Statement of Operations

		For the Year Ended August 31, 1992	

<S>	<C>	<C>	<C>
Interest Income	Interest and amortization of premium and discount earned		\$ 11,591,209
	(Note 1d):		
Expenses:	Investment advisory fees (Note 2)	\$1,347,792	
	Administrative fees (Note 2)	354,682	
	Transfer agent fees (Note 2)	96,260	
	Printing and shareholder reports	88,518	
	Professional fees	54,970	
	Registration fees	50,643	
	Amortization of organization expenses (Note 1e)	43,665	
	Accounting services (Note 2)	36,233	
	Directors' fees and expenses	30,040	
	Custodian fees	17,565	
	Pricing fees	9,287	
	Other	71,819	

	Total expenses before reimbursement	2,201,474	
	Reimbursement of expenses (Note 2)	(351,832)	

	Total expenses		1,849,642

	Investment income - net		9,741,567

Realized & Unrealized	Realized gain on investments - net	678,548
	Change in unrealized appreciation on investments - net	6,517,301

Gain on	Net Increase in Net Assets Resulting from Operations .	\$ 16,937,416
		=====
Investments - Net		
(Notes 1d & 3):		

</TABLE>

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FINANCIAL INFORMATION
Statements of Changes in Net Assets

		For the Year Ended August 31,	
		1992	1991+
Increase (Decrease) in Net Asset Value:			
<S>	<C>	<C>	<C>
Operations:	Investment income - net	\$ 9,741,567	\$ 5,427,175
	Realized gain on investments - net	678,548	265,345
	Change in unrealized appreciation on investments - net	6,517,301	2,292,715
		-----	-----
	Net increase in net assets resulting from operations .	16,937,416	7,985,235
		-----	-----
Dividends & Distributions	Investment income - net	(9,741,567)	(5,427,175)
	Realized gain on investments - net	(638,209)	-
		-----	-----
to Shareholders	Net decrease in net assets resulting from dividends and distributions to shareholders	(10,379,776)	(5,427,175)
		-----	-----
(Note 1g):			
Capital Share Transactions	Net Increase in net assets derived from capital share transactions	49,549,801	111,969,700
(Note 4):		-----	-----
Net Assets:	Total increase in net assets	56,107,441	114,527,760
	Beginning of period	114,627,760	100,000
		-----	-----
	End of period	\$170,735,201	\$114,627,760
		=====	=====

Supplementary Financial Information

Selected Data for a Share of Capital Outstanding Throughout Each Period:

		For the Year Ended August 31,	
		1992	1991+
Increase (Decrease) in Net Asset Value:			
Operations:	Investment income	\$.85	\$.70
	Total expenses	(.16)	(.15)
	Reimbursement of expenses02	.08
		-----	-----
	Investment income - net71	.63
	Realized and unrealized gain on investments - net50	.29
		-----	-----
	Net increase in net asset value resulting from operations	1.21	.92
		-----	-----

</TABLE>

FINANCIAL INFORMATION

<TABLE>

<u><S></u>	<u><C></u>	<u><C></u>	<u><C></u>
Dividends & Distributions	Investment income - net	(.71)	(.63)
	Realized gain on investments - net	(.05)	-
		-----	-----
to Shareholders:	Net decrease in net asset value resulting from dividends and distributions to shareholders	(.76)	(.63)
		-----	-----
Net Asset Value:	Total increase in net asset value45	.29
	Beginning of period	10.29	10.00
		-----	-----
	End of period	\$ 10.74	\$ 10.29
		=====	=====
	Number of shares outstanding at end of period (in thousands)	15,893	11,143
		-----	-----
Significant Ratios:	Total expenses, net of reimbursement, to average net assets	1.30%	.84%*
		=====	=====
	Total expenses to average net assets	1.55%	1.76%*
		=====	=====
	Investment income - net, to average net assets	6.85%	7.43%*
		=====	=====
	Portfolio turnover	31.74%	75.92%
		=====	=====

+The Fund commenced operations on November 2, 1990.
*Annualized.

</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 60 days or less are valued at amortized cost which approximates market value. 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.

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(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 are amortized and market premiums are accreted 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 non-income 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 and Administrative Services Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Merrill Lynch Asset Management ("MLAM"). MLAM is the name under which Merrill Lynch Investment Management, Inc. ("MLIM") does business. MLIM is an indirect wholly-owned subsidiary of Merrill Lynch & Co., Inc. The Fund has also entered into a Distribution Agreement with Merrill Lynch Funds Distributor, Inc. ("MLFD"), 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

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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 year ended August 31, 1992, MLAM earned fees of \$1,702,474, of which \$351,832 was waived.

Financial Data Services, Inc. ("FDS"), a wholly-owned subsidiary of Merrill Lynch & Co., Inc., 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, and/or Merrill Lynch, Pierce, Fenner & Smith Incorporated.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended August 31, 1992, were \$89,204,878 and \$42,956,665, respectively.

Net realized and unrealized gains as of August 31, 1992 were as follows:

	Realized Gains	Unrealized Gains
Short-term investments . . .	\$ 1,590	\$ 885,625
Long-term investments . . .	676,958	7,924,391
	-----	-----
Total	\$678,548	\$8,810,016
	=====	=====

As of August 31, 1992, net unrealized depreciation for financial reporting and Federal income tax purposes aggregated \$8,810,016, of which \$10,443,518 related to appreciated securities and \$1,633,502 related to depreciated securities. The aggregate cost of investments at August 31, 1992 for Federal income tax purposes was \$161,953,576.

4. Capital Share Transactions:

Transactions in capital shares were as follows:

For the Year Ended August 31, 1992	Shares	Dollar Amount
Shares sold	5,583,700	\$ 58,364,181
Shares issued to shareholders in reinvestment of dividends & distributions . .	373,343	3,908,208
	-----	-----
Total issued	5,957,043	62,272,389
Shares tendered	(1,207,745)	(12,722,588)
	-----	-----
Net increase	4,749,298	\$ 49,549,801
	=====	=====

For the Period November 2, 1990+ to August 31, 1991	Shares	Dollar Amount
Shares sold	11,159,166	\$112,245,228
Shares issued to shareholders in reinvestment of dividends	203,318	2,063,568
	-----	-----
Total issued	11,362,484	114,308,796
Share tendered	(229,066)	(2,339,096)
	-----	-----
Net increase	11,133,418	\$111,969,700
	=====	=====

+Prior to November 2, 1990 (commencement of operations), the Fund issued 10,000 shares to MLAM for \$100,000.

