

Bank of America Finishes Merger of Merrill Lynch Into Parent

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Oct. 1 (Bloomberg) -- Bank of America Corp., the second-largest U.S. lender by assets, completed the merger of its Merrill Lynch & Co. subsidiary into the parent company to simplify the corporate structure.

The bank assumes the unit's obligations and debt while keeping the Merrill Lynch brand, the company said today in a statement. The transaction completes a process first disclosed by the Charlotte, North Carolina-based company in an Aug. 2 filing.

Bank of America assumed all of Merrill Lynch's commitments, "including its outstanding U.S. and non-U.S. debt securities, its obligations regarding outstanding trust-preferred securities, and its guarantees of both outstanding non-U.S. debt securities issued by its subsidiaries and trading contracts of its subsidiaries," according to the statement.

The largest U.S. banks must submit updated plans today showing regulators how they would wind themselves down in a crisis. Chief Executive Officer Brian T. Moynihan's predecessor bought Merrill Lynch in 2009, and merging the legal entity could help appease regulators who want to make failures at the biggest banks easier to resolve in a crisis.

Dissolving the legal entity ends Merrill Lynch's need to file separate regulatory disclosures. Merrill Lynch, Pierce, Fenner & Smith Inc., the firm's broker-dealer unit, will continue to exist as a subsidiary, according to the statement.

Merrill Lynch had about \$62 billion in long-term debt as of the second quarter, according to David Hendler, an analyst at CreditSights Inc. The move shouldn't affect Merrill Lynch bonds because spreads have already converged with those of the parent company, Hendler said in August.

Bank of America advanced 19 percent this year through yesterday and rose 9 cents to \$13.89 at 11:43 a.m. in New York trading.

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