

MORGAN STANLEY
Financial Supplement - 4Q2003
Table of Contents

<u>Page #</u>	
1	Financial Summary
2	Quarterly Consolidated Income Statement
3	Quarterly Total Company Financial Information and Statistical Data
4	Quarterly Institutional Securities Income Statement
5	Quarterly Institutional Securities Financial Information and Statistical Data
6	Quarterly Individual Investor Group Income Statement
7	Quarterly Individual Investor Group Financial Information and Statistical Data
8	Quarterly Investment Management Income Statement
9	Quarterly Investment Management Financial Information and Statistical Data
10	Quarterly Credit Services Income Statement
11	Quarterly Credit Services Income Statement (Managed Loan Basis)
12	Quarterly Credit Services Financial Information and Statistical Data
13	Quarterly Intersegment Eliminations
14	Quarterly Inst'l. Securities, Individual Investor Group and Investment Mgmt. Combined Financial Information
15	Quarterly Credit Services Financial Information (Managed Loan Basis)
16	Quarterly Reconciliation of General Purpose Credit Card Loan Data (Current Year)
17	Quarterly Reconciliation of General Purpose Credit Card Loan Data (Prior Year)
18	YTD Reconciliation of General Purpose Credit Card Loan Data
19	Quarterly Reconciliation of Managed Income Statement Data
20	Quarterly Reconciliation of Adjusted Assets
21	Legal Notice

MORGAN STANLEY
Quarterly Financial Summary
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Net revenues													
Institutional Securities	\$ 2,761	\$ 2,394	\$ 2,117	\$ 1,839	\$ 3,134	\$ 2,680	\$ 2,793	\$ 2,604	42%	(7%)	\$ 9,111	\$ 11,211	23%
Individual Investor Group	1,042	1,064	1,028	935	922	952	1,054	1,089	16%	3%	4,069	4,017	(1%)
Investment Management	725	730	642	624	590	608	653	658	5%	1%	2,721	2,509	(8%)
Credit Services	823	874	933	927	898	884	834	811	(13%)	(3%)	3,557	3,427	(4%)
Intersegment Eliminations	(89)	(94)	(81)	(74)	(70)	(79)	(83)	(75)	(1%)	10%	(338)	(307)	9%
Consolidated net revenues	\$ 5,262	\$ 4,968	\$ 4,639	\$ 4,251	\$ 5,474	\$ 5,045	\$ 5,251	\$ 5,087	20%	(3%)	\$ 19,120	\$ 20,857	9%
Net income / (loss)													
Institutional Securities	\$ 519	\$ 436	\$ 264	\$ 445	\$ 603	\$ 283	\$ 825	\$ 726	63%	(12%)	\$ 1,664	\$ 2,437	46%
Individual Investor Group	23	29	18	(11)	29	32	125	79	*	(37%)	59	265	*
Investment Management	118	119	97	84	72	77	116	61	(27%)	(47%)	418	326	(22%)
Credit Services	166	194	209	191	182	190	185	131	(31%)	(29%)	760	688	(9%)
Intersegment Eliminations	22	19	23	23	19	17	18	17	(26%)	(6%)	87	71	(18%)
Consolidated net income	\$ 848	\$ 797	\$ 611	\$ 732	\$ 905	\$ 599	\$ 1,269	\$ 1,014	39%	(20%)	\$ 2,988	\$ 3,787	27%
Basic earnings per common share	\$ 0.78	\$ 0.73	\$ 0.57	\$ 0.68	\$ 0.84	\$ 0.56	\$ 1.18	\$ 0.94	38%	(20%)	\$ 2.76	\$ 3.52	28%
Diluted earnings per common share	\$ 0.76	\$ 0.72	\$ 0.55	\$ 0.67	\$ 0.82	\$ 0.55	\$ 1.15	\$ 0.92	37%	(20%)	\$ 2.69	\$ 3.45	28%
Average common shares outstanding													
Basic	1,082,380,245	1,084,993,202	1,081,708,833	1,074,654,825	1,079,052,442	1,077,386,468	1,077,680,996	1,077,914,054			1,083,270,783	1,076,754,740	
Diluted	1,112,959,092	1,113,949,482	1,105,494,894	1,095,716,005	1,099,724,140	1,097,478,351	1,100,593,303	1,103,285,225			1,109,637,953	1,099,117,972	
Period end common shares outstanding	1,101,194,353	1,097,109,821	1,093,052,009	1,081,417,377	1,089,745,941	1,086,735,086	1,088,107,975	1,084,696,446			1,081,417,377	1,084,696,446	
Return on common equity	16.4%	15.1%	11.4%	13.7%	16.3%	10.6%	22.0%	16.8%			14.1%	16.5%	

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.
Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Consolidated Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 674	\$ 663	\$ 470	\$ 671	\$ 589	\$ 536	\$ 608	\$ 707	5%	16%	\$ 2,478	\$ 2,440	(2%)
Principal transactions:													
Trading	1,132	696	469	433	1,556	1,583	2,105	894	106%	(58%)	2,730	6,138	125%
Investments	33	(16)	(64)	16	(22)	59	38	11	(31%)	(71%)	(31)	86	*
Commissions	777	900	854	747	673	709	775	813	9%	5%	3,278	2,970	(9%)
Fees:													
Asset management, distribution and admin.	1,012	1,049	969	902	896	881	956	973	8%	2%	3,932	3,706	(6%)
Merchant and cardmember	341	348	359	372	364	338	340	337	(9%)	(1%)	1,420	1,379	(3%)
Servicing	541	506	510	523	567	503	462	483	(8%)	5%	2,080	2,015	(3%)
Interest and dividends	3,836	3,877	4,376	3,790	3,789	3,692	3,534	4,729	25%	34%	15,879	15,744	(1%)
Other	197	129	216	118	86	113	111	145	23%	31%	660	455	(31%)
Total revenues	<u>8,543</u>	<u>8,152</u>	<u>8,159</u>	<u>7,572</u>	<u>8,498</u>	<u>8,414</u>	<u>8,929</u>	<u>9,092</u>	20%	2%	<u>32,426</u>	<u>34,933</u>	8%
Interest expense	2,936	2,844	3,188	3,002	2,688	3,060	3,368	3,693	23%	10%	11,970	12,809	7%
Provision for consumer loan losses	345	340	332	319	336	309	310	312	(2%)	1%	1,336	1,267	(5%)
Net revenues	<u>5,262</u>	<u>4,968</u>	<u>4,639</u>	<u>4,251</u>	<u>5,474</u>	<u>5,045</u>	<u>5,251</u>	<u>5,087</u>	20%	(3%)	<u>19,120</u>	<u>20,857</u>	9%
Compensation and benefits	2,490	2,238	2,063	1,149	2,549	2,274	1,940	1,782	55%	(8%)	7,940	8,545	8%
Occupancy and equipment	198	208	198	221	196	195	191	212	(4%)	11%	825	794	(4%)
Brokerage, clearing and exchange fees	183	176	207	213	191	202	212	233	9%	10%	779	838	8%
Information processing and communications	321	336	341	377	315	315	315	343	(9%)	9%	1,375	1,288	(6%)
Marketing and business development	245	252	286	322	263	251	197	256	(20%)	30%	1,105	967	(12%)
Professional services	225	250	273	346	225	259	283	368	6%	30%	1,094	1,135	4%
Other	253	261	302	231	309	634	236	344	49%	46%	1,047	1,523	45%
Restructuring and other charges	0	0	0	235	0	0	0	0	*	--	235	0	*
Total non-interest expenses	<u>3,915</u>	<u>3,721</u>	<u>3,670</u>	<u>3,094</u>	<u>4,048</u>	<u>4,130</u>	<u>3,374</u>	<u>3,538</u>	14%	5%	<u>14,400</u>	<u>15,090</u>	5%
Income before losses from unconsolidated investees, taxes and dividends on preferred securities subject to mandatory redemption	1,347	1,247	969	1,157	1,426	915	1,877	1,549	34%	(17%)	4,720	5,767	22%
Losses from unconsolidated investees	11	11	13	42	34	36	105	104	148%	(1%)	77	279	*
Income tax expense	466	417	324	361	465	240	456	386	7%	(15%)	1,568	1,547	(1%)
Div. on pref. sec. subject to mandatory redemption	22	22	21	22	22	40	47	45	105%	(4%)	87	154	77%
Net income	<u>\$ 848</u>	<u>\$ 797</u>	<u>\$ 611</u>	<u>\$ 732</u>	<u>\$ 905</u>	<u>\$ 599</u>	<u>\$ 1,269</u>	<u>\$ 1,014</u>	39%	(20%)	<u>\$ 2,988</u>	<u>\$ 3,787</u>	27%
Compensation and benefits as a % of net revenues	47%	45%	44%	27%	47%	45%	37%	35%			42%	41%	

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation. Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
(unaudited)

	QUARTER ENDED								Percentage Change From:	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03
Morgan Stanley										
Total assets (millions)	\$ 491,651	\$ 553,924	\$ 516,772	\$ 529,499	\$ 559,436	\$ 586,881	\$ 580,632	\$ 602,843	14%	4%
Adjusted assets (millions) (1)	\$ 341,782	\$ 382,306	\$ 361,517	\$ 358,470	\$ 389,103	\$ 406,977	\$ 392,815	\$ 402,827	12%	3%
Period end common shares outstanding (millions)	1,101.2	1,097.1	1,093.1	1,081.4	1,089.7	1,086.7	1,088.1	1,084.7	--	--
Book value per common share	\$ 18.97	\$ 19.39	\$ 19.59	\$ 20.24	\$ 20.62	\$ 20.83	\$ 21.79	\$ 23.08	14%	6%
Shareholders' equity (millions) (2)	\$ 22,102	\$ 22,486	\$ 22,626	\$ 23,095	\$ 24,475	\$ 25,341	\$ 26,517	\$ 27,844	21%	5%
Total capital (millions) (3)	\$ 61,042	\$ 67,690	\$ 66,631	\$ 65,936	\$ 72,432	\$ 78,665	\$ 78,241	\$ 82,936	26%	6%
Worldwide employees	59,875	58,538	57,799	55,726	54,493	53,507	52,205	51,196	(8%)	(2%)
Average Daily 99%/One-Day Value-at-Risk ("VaR") (4)										
Primary Market Risk Category (\$ millions, pre-tax)										
Interest rate and credit spread	\$ 30	\$ 34	\$ 45	\$ 40	\$ 42	\$ 41	\$ 42	\$ 45		
Equity price	23	26	22	15	24	23	25	29		
Foreign exchange rate	9	5	7	6	12	11	7	13		
Commodity price	29	27	22	23	29	27	27	26		
Aggregate trading VaR	\$ 46	\$ 52	\$ 54	\$ 54	\$ 52	\$ 54	\$ 54	\$ 61		

(1) Represents total assets less assets attributable to matched resale agreements, certain securities borrowed transactions and segregated customer cash balances. See page 20 for further information.

(2) Includes common equity and preferred securities subject to mandatory redemption.

(3) Includes common equity, preferred securities subject to mandatory redemption, capital units and the non-current portion of long-term debt.

(4) 99%/One-Day VaR represents the loss amount that one would not expect to exceed, on average, more than one time every one hundred trading days in the Company's Institutional trading positions if the portfolio were held constant for a one day period. The Company's VaR incorporates substantially all financial instruments generating market risk that are managed by the Company's institutional trading businesses. For a further discussion of the calculation of VaR and the limitations of the Company's VaR methodology, see Part II, Item 7A "Quantitative and Qualitative Disclosures about Market Risk" in the firm's Annual Report on Form 10-K for the fiscal year ended November 30, 2002.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Institutional Securities Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 601	\$ 584	\$ 399	\$ 595	\$ 501	\$ 462	\$ 518	\$ 616	4%	19%	\$ 2,179	\$ 2,097	(4%)
Principal transactions:													
Trading	934	549	326	279	1,402	1,416	1,931	738	*	(62%)	2,088	5,487	*
Investments	30	(16)	14	14	(11)	46	30	(1)	(107%)	(103%)	42	64	52%
Commissions	483	546	548	456	416	423	440	469	3%	7%	2,033	1,748	(14%)
Asset management, distribution and admin. fees	20	21	25	25	22	22	24	23	(8%)	(4%)	91	91	--
Interest and dividends	3,185	3,165	3,618	3,088	3,194	3,075	2,943	4,169	35%	42%	13,056	13,381	2%
Other	147	88	72	89	62	75	60	92	3%	53%	396	289	(27%)
Total revenues	5,400	4,937	5,002	4,546	5,586	5,519	5,946	6,106	34%	3%	19,885	23,157	16%
Interest expense	2,639	2,543	2,885	2,707	2,452	2,839	3,153	3,502	29%	11%	10,774	11,946	11%
Net revenues	2,761	2,394	2,117	1,839	3,134	2,680	2,793	2,604	42%	(7%)	9,111	11,211	23%
Total non-interest expenses	1,933	1,731	1,699	1,111	2,193	2,280	1,589	1,541	39%	(3%)	6,474	7,603	17%
Income before losses from unconsolidated investees, taxes and dividends on preferred securities subject to mandatory redemption	828	663	418	728	941	400	1,204	1,063	46%	(12%)	2,637	3,608	37%
Losses from unconsolidated investees	11	11	13	42	34	36	105	104	148%	(1%)	77	279	*
Income tax expense	276	194	120	219	282	41	227	188	(14%)	(17%)	809	738	(9%)
Div. on pref. sec. subject to mandatory redemption	22	22	21	22	22	40	47	45	105%	(4%)	87	154	77%
Net income	\$ 519	\$ 436	\$ 264	\$ 445	\$ 603	\$ 283	\$ 825	\$ 726	63%	(12%)	\$ 1,664	\$ 2,437	46%
Pre-tax profit margin (1)	29%	26%	18%	36%	28%	12%	38%	35%			27%	28%	
Pre-tax profit margin excl. losses from unconsolidated investees (2)	29%	27%	19%	38%	29%	13%	41%	39%			28%	31%	
After-tax profit margin (3)	19%	18%	12%	24%	19%	11%	30%	28%			18%	22%	

(1) Income before taxes, less losses from unconsolidated investees and dividends on preferred securities, as a % of net revenues.

(2) Income before taxes, less dividends on preferred securities, as a % of net revenues.

(3) Net income as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.
Refer to Legal Notice page 21.



MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Institutional Securities
(unaudited)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Advisory revenue (millions)	\$ 292	\$ 249	\$ 149	\$ 271	\$ 166	\$ 141	\$ 130	\$ 225	(17%)	73%	\$ 961	\$ 662	(31%)
Underwriting revenue (millions)	\$ 309	\$ 335	\$ 250	\$ 324	\$ 335	\$ 321	\$ 388	\$ 391	21%	1%	\$ 1,218	\$ 1,435	18%
Sales and trading net revenue (millions) (1)													
Equity	\$ 916	\$ 939	\$ 1,052	\$ 621	\$ 977	\$ 865	\$ 830	\$ 919	48%	11%	\$ 3,528	\$ 3,591	2%
Fixed income	\$ 1,100	\$ 860	\$ 697	\$ 588	\$ 1,635	\$ 1,282	\$ 1,462	\$ 977	66%	(33%)	\$ 3,245	\$ 5,356	65%
Mergers and acquisitions announced transactions (2)													
Morgan Stanley global market volume (billions)	\$ 36.0	\$ 85.4	\$ 126.9	\$ 198.0	\$ 26.8	\$ 48.4	\$ 88.1	\$ 225.4					
Rank	5	3	4	3	2	6	5	2					
Worldwide equity and related issues (2)													
Morgan Stanley global market volume (billions)	\$ 6.1	\$ 11.3	\$ 13.7	\$ 25.6	\$ 3.8	\$ 13.5	\$ 22.4	\$ 35.1					
Rank	5	5	5	4	2	2	3	3					

(1) Includes principal trading, commissions and net interest revenue.

(2) Source: Thomson Financial Securities Data - January 1 to November 30, 2003.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.



MORGAN STANLEY
Quarterly Individual Investor Group Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 64	\$ 71	\$ 63	\$ 69	\$ 80	\$ 65	\$ 79	\$ 80	16%	1%	\$ 267	\$ 304	14%
Principal transactions:													
Trading	198	147	143	154	154	167	174	156	1%	(10%)	642	651	1%
Investments	1	0	(46)	0	0	0	0	0	--	--	(45)	0	*
Commissions	322	383	325	300	271	300	348	357	19%	3%	1,330	1,276	(4%)
Asset management, distribution and admin fees	360	375	352	322	337	333	364	379	18%	4%	1,409	1,413	--
Interest and dividends	115	115	112	101	89	91	92	96	(5%)	4%	443	368	(17%)
Other	33	24	126	35	29	35	35	56	60%	60%	218	155	(29%)
Total revenues	1,093	1,115	1,075	981	960	991	1,092	1,124	15%	3%	4,264	4,167	(2%)
Interest expense	51	51	47	46	38	39	38	35	(24%)	(8%)	195	150	(23%)
Net revenues	1,042	1,064	1,028	935	922	952	1,054	1,089	16%	3%	4,069	4,017	(1%)
Total non-interest expenses	1,001	1,010	993	956	874	887	861	941	(2%)	9%	3,960	3,563	(10%)
Income / (loss) before income taxes	41	54	35	(21)	48	65	193	148	*	(23%)	109	454	*
Income tax expense / (benefit)	18	25	17	(10)	19	33	68	69	*	1%	50	189	*
Net income / (loss)	\$ 23	\$ 29	\$ 18	\$ (11)	\$ 29	\$ 32	\$ 125	\$ 79	*	(37%)	\$ 59	\$ 265	*
Pre-tax profit margin (1)	4%	5%	3%	(2%)	5%	7%	18%	14%			3%	11%	
After-tax profit margin (2)	2%	3%	2%	(1%)	3%	3%	12%	7%			1%	7%	

(1) Income before taxes as a % of net revenues.

(2) Net income / (loss) as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Individual Investor Group
(unaudited)

	QUARTER ENDED								Percentage Change From:	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03
Global financial advisors	14,115	13,707	13,590	12,546	12,056	11,644	11,326	11,086	(12%)	(2%)
Total client assets (billions)	\$ 588	\$ 570	\$ 520	\$ 516	\$ 498	\$ 532	\$ 544	\$ 565	9%	4%
Fee-based client account assets (billions) (1)	\$ 114	\$ 116	\$ 107	\$ 107	\$ 105	\$ 113	\$ 122	\$ 130	21%	7%
Fee-based assets as a % of client assets	19%	20%	21%	21%	21%	21%	22%	23%		
Domestic retail locations	680	663	649	608	558	547	544	532	(13%)	(2%)

(1) Represents the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.



MORGAN STANLEY
Quarterly Investment Management Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 9	\$ 8	\$ 8	\$ 7	\$ 8	\$ 9	\$ 11	\$ 11	57%	--	\$ 32	\$ 39	22%
Principal transactions:													
Investments	2	0	(32)	2	(11)	13	8	12	*	50%	(28)	22	*
Commissions	11	14	11	16	12	13	16	15	(6%)	(6%)	52	56	8%
Asset management, distribution and admin fees	673	697	634	594	575	565	612	609	3%	--	2,598	2,361	(9%)
Interest and dividends	7	3	7	0	2	0	0	0	--	--	17	2	(88%)
Other	24	8	15	4	5	10	8	11	*	38%	51	34	(33%)
Total revenues	726	730	643	623	591	610	655	658	6%	--	2,722	2,514	(8%)
Interest expense	1	0	1	(1)	1	2	2	0	*	*	1	5	*
Net revenues	725	730	642	624	590	608	653	658	5%	1%	2,721	2,509	(8%)
Total non-interest expenses	532	538	477	507	476	489	496	557	10%	12%	2,054	2,018	(2%)
Income before income taxes	193	192	165	117	114	119	157	101	(14%)	(36%)	667	491	(26%)
Income tax expense	75	73	68	33	42	42	41	40	21%	(2%)	249	165	(34%)
Net income	\$ 118	\$ 119	\$ 97	\$ 84	\$ 72	\$ 77	\$ 116	\$ 61	(27%)	(47%)	\$ 418	\$ 326	(22%)
Pre-tax profit margin (1)	27%	26%	26%	19%	19%	20%	24%	15%			25%	20%	
After-tax profit margin (2)	16%	16%	15%	13%	12%	13%	18%	9%			15%	13%	

(1) Income before taxes as a % of net revenues.

(2) Net income as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Statistical Data
Investment Management
(unaudited)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
(\$ billions)													
Net flows													
Retail	\$ 1.6	\$ 1.2	\$ (0.7)	\$ (1.0)	\$ (0.5)	\$ 1.2	\$ 4.9	\$ 3.7	*	(24%)	\$ 1.1	\$ 9.3	*
Institutional	(0.6)	(0.6)	0.0	(0.8)	(2.5)	(4.0)	(2.1)	(1.3)	(63%)	38%	(2.0)	(9.9)	*
Net flows excluding money markets	<u>1.0</u>	<u>0.6</u>	<u>(0.7)</u>	<u>(1.8)</u>	<u>(3.0)</u>	<u>(2.8)</u>	<u>2.8</u>	<u>2.4</u>	*	(14%)	<u>(0.9)</u>	<u>(0.6)</u>	33%
Money markets	(1.2)	(4.1)	1.0	(1.2)	(0.9)	(2.6)	0.2	(2.5)	(108%)	*	(5.5)	(5.8)	(5%)
Assets under management or supervision by distribution channel													
Retail	\$ 280	\$ 276	\$ 260	\$ 256	\$ 246	\$ 259	\$ 268	\$ 277	8%	3%			
Institutional	172	175	164	164	158	162	165	185	13%	12%			
Total	<u>\$ 452</u>	<u>\$ 451</u>	<u>\$ 424</u>	<u>\$ 420</u>	<u>\$ 404</u>	<u>\$ 421</u>	<u>\$ 433</u>	<u>\$ 462</u>	10%	7%			
Assets under management or supervision by asset class													
Equity	\$ 196	\$ 201	\$ 175	\$ 172	\$ 155	\$ 174	\$ 189	\$ 207	20%	10%			
Fixed income	128	126	127	127	129	127	123	123	(3%)	--			
Money market	70	65	66	66	67	65	66	64	(3%)	(3%)			
Other (1)	58	59	56	55	53	55	55	68	24%	24%			
Total	<u>\$ 452</u>	<u>\$ 451</u>	<u>\$ 424</u>	<u>\$ 420</u>	<u>\$ 404</u>	<u>\$ 421</u>	<u>\$ 433</u>	<u>\$ 462</u>	10%	7%			

(1) Includes Alternative Investments.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Credit Services Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Fees:													
Merchant and cardmember	\$ 341	\$ 348	\$ 359	\$ 372	\$ 364	\$ 338	\$ 340	\$ 337	(9%)	(1%)	\$ 1,420	\$ 1,379	(3%)
Servicing	541	506	510	523	567	503	462	483	(8%)	5%	2,080	2,015	(3%)
Other	2	16	12	0	(4)	6	18	(5)	*	(128%)	30	15	(50%)
Total non-interest revenues	<u>884</u>	<u>870</u>	<u>881</u>	<u>895</u>	<u>927</u>	<u>847</u>	<u>820</u>	<u>815</u>	(9%)	(1%)	3,530	3,409	(3%)
Interest revenue	553	602	646	612	546	543	515	487	(20%)	(5%)	2,413	2,091	(13%)
Interest expense	269	258	262	261	239	197	191	179	(31%)	(6%)	1,050	806	(23%)
Net interest income	<u>284</u>	<u>344</u>	<u>384</u>	<u>351</u>	<u>307</u>	<u>346</u>	<u>324</u>	<u>308</u>	(12%)	(5%)	1,363	1,285	(6%)
Provision for consumer loan losses	345	340	332	319	336	309	310	312	(2%)	1%	1,336	1,267	(5%)
Net credit income	<u>(61)</u>	<u>4</u>	<u>52</u>	<u>32</u>	<u>(29)</u>	<u>37</u>	<u>14</u>	<u>(4)</u>	(113%)	(129%)	27	18	(33%)
Net revenues	<u>823</u>	<u>874</u>	<u>933</u>	<u>927</u>	<u>898</u>	<u>884</u>	<u>834</u>	<u>811</u>	(13%)	(3%)	3,557	3,427	(4%)
Total non-interest expenses	<u>570</u>	<u>564</u>	<u>617</u>	<u>628</u>	<u>608</u>	<u>582</u>	<u>542</u>	<u>602</u>	(4%)	11%	2,379	2,334	(2%)
Income before taxes	253	310	316	299	290	302	292	209	(30%)	(28%)	1,178	1,093	(7%)
Income tax expense	87	116	107	108	108	112	107	78	(28%)	(27%)	418	405	(3%)
Net income	<u>\$ 166</u>	<u>\$ 194</u>	<u>\$ 209</u>	<u>\$ 191</u>	<u>\$ 182</u>	<u>\$ 190</u>	<u>\$ 185</u>	<u>\$ 131</u>	(31%)	(29%)	\$ 760	\$ 688	(9%)
Pre-tax profit margin (1)	31%	35%	34%	32%	32%	34%	35%	26%			33%	32%	
After-tax profit margin (2)	20%	22%	22%	21%	20%	21%	22%	16%			21%	20%	

(1) Income before taxes as a % of net revenues.

(2) Net income as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Credit Services Income Statement Information
(unaudited, dollars in millions)
(Managed loan basis)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Fees:													
Merchant and cardmember	\$ 526	\$ 517	\$ 525	\$ 542	\$ 548	\$ 523	\$ 523	\$ 512	(6%)	(2%)	\$ 2,110	\$ 2,106	--
Servicing	0	0	0	0	0	0	0	0	--	--	0	0	--
Other	17	35	25	3	53	36	19	1	(67%)	(95%)	80	109	36%
Total non-interest revenues	<u>543</u>	<u>552</u>	<u>550</u>	<u>545</u>	<u>601</u>	<u>559</u>	<u>542</u>	<u>513</u>	(6%)	(5%)	<u>2,190</u>	<u>2,215</u>	1%
Interest revenue	1,611	1,614	1,643	1,606	1,580	1,592	1,576	1,517	(6%)	(4%)	6,474	6,265	(3%)
Interest expense	499	480	483	475	441	410	391	366	(23%)	(6%)	1,937	1,608	(17%)
Net interest income	1,112	1,134	1,160	1,131	1,139	1,182	1,185	1,151	2%	(3%)	4,537	4,657	3%
Provision for consumer loan losses	832	812	777	749	842	857	893	853	14%	(4%)	3,170	3,445	9%
Net credit income	280	322	383	382	297	325	292	298	(22%)	2%	1,367	1,212	(11%)
Net revenues	<u>823</u>	<u>874</u>	<u>933</u>	<u>927</u>	<u>898</u>	<u>884</u>	<u>834</u>	<u>811</u>	(13%)	(3%)	<u>3,557</u>	<u>3,427</u>	(4%)
Total non-interest expenses	<u>570</u>	<u>564</u>	<u>617</u>	<u>628</u>	<u>608</u>	<u>582</u>	<u>542</u>	<u>602</u>	(4%)	11%	<u>2,379</u>	<u>2,334</u>	(2%)
Income before taxes	253	310	316	299	290	302	292	209	(30%)	(28%)	1,178	1,093	(7%)
Income tax expense	87	116	107	108	108	112	107	78	(28%)	(27%)	418	405	(3%)
Net income	<u>\$ 166</u>	<u>\$ 194</u>	<u>\$ 209</u>	<u>\$ 191</u>	<u>\$ 182</u>	<u>\$ 190</u>	<u>\$ 185</u>	<u>\$ 131</u>	(31%)	(29%)	<u>\$ 760</u>	<u>\$ 688</u>	(9%)
Pre-tax profit margin (1)	31%	35%	34%	32%	32%	34%	35%	26%			33%	32%	
After-tax profit margin (2)	20%	22%	22%	21%	20%	21%	22%	16%			21%	20%	

(1) Income before taxes as a % of net revenues.

(2) Net income as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Financial Information and Statistical Data
Credit Services
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Owned credit card loans													
Period end	\$ 20,138	\$ 19,834	\$ 21,452	\$ 22,153	\$ 20,847	\$ 18,465	\$ 18,106	\$ 18,930	(15%)	5%	\$ 22,153	\$ 18,930	(15%)
Average	\$ 20,558	\$ 20,362	\$ 20,083	\$ 21,641	\$ 22,305	\$ 19,120	\$ 18,600	\$ 18,143	(16%)	(2%)	\$ 20,659	\$ 19,531	(5%)
Managed credit card loans (1)													
Period end	\$ 49,569	\$ 49,377	\$ 49,677	\$ 51,143	\$ 51,811	\$ 50,880	\$ 49,965	\$ 48,358	(5%)	(3%)	\$ 51,143	\$ 48,358	(5%)
Average	\$ 50,396	\$ 49,379	\$ 49,344	\$ 50,239	\$ 52,802	\$ 51,174	\$ 50,663	\$ 48,835	(3%)	(4%)	\$ 49,835	\$ 50,864	2%
Interest yield	12.63%	12.64%	12.86%	12.45%	11.78%	11.97%	11.94%	12.05%	(40 bp)	11 bp	12.64%	11.93%	(71 bp)
Interest spread	8.61%	8.72%	8.91%	8.62%	8.36%	8.78%	8.91%	9.05%	43 bp	14 bp	8.71%	8.77%	6 bp
Net charge-off rate	6.40%	6.35%	6.07%	5.95%	6.17%	6.50%	6.90%	6.87%	92 bp	(3 bp)	6.19%	6.60%	41 bp
Delinquency rate (over 30 days)	6.75%	5.63%	5.72%	5.96%	6.33%	6.21%	6.05%	5.97%	1 bp	(8 bp)	5.96%	5.97%	1 bp
Delinquency rate (over 90 days)	3.12%	2.65%	2.49%	2.66%	2.95%	3.01%	2.91%	2.82%	16 bp	(9 bp)	2.66%	2.82%	16 bp
Transaction volume (billions)	\$ 24.1	\$ 23.5	\$ 24.3	\$ 25.3	\$ 26.1	\$ 24.0	\$ 24.8	\$ 23.0	(9%)	(7%)	\$ 97.3	\$ 97.9	1%
Accounts (millions)	46.0	46.2	46.2	46.5	46.5	46.4	46.3	46.1	(1%)	--	46.5	46.1	(1%)
Active accounts (millions)	23.8	23.4	22.8	22.6	22.3	21.8	21.3	20.8	(8%)	(2%)	22.6	20.8	(8%)
Average receivables per avg. active account (actual \$)	\$ 2,098	\$ 2,086	\$ 2,145	\$ 2,214	\$ 2,333	\$ 2,319	\$ 2,348	\$ 2,319	5%	(1%)	\$ 2,135	\$ 2,329	9%
Securitization gain	\$ 8	\$ 11	\$ (3)	\$ 4	\$ 35	\$ 11	\$ (9)	\$ (7)	*	22%	\$ 20	\$ 30	50%

(1) Includes owned and securitized credit card loans.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Intersegment Eliminations Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	--	--	\$ 0	\$ 0	--
Principal transactions:													
Trading	0	0	0	0	0	0	0	0	--	--	0	0	--
Investments	0	0	0	0	0	0	0	0	--	--	0	0	--
Commissions	(39)	(43)	(30)	(25)	(26)	(27)	(29)	(28)	(12%)	3%	(137)	(110)	20%
Asset management, distribution and admin. fees	(41)	(44)	(42)	(39)	(38)	(39)	(44)	(38)	3%	14%	(166)	(159)	4%
Interest and dividends	(24)	(8)	(7)	(11)	(42)	(17)	(16)	(23)	(109%)	(44%)	(50)	(98)	(96%)
Other	(9)	(7)	(9)	(10)	(6)	(13)	(10)	(9)	10%	10%	(35)	(38)	(9%)
Total revenues	(113)	(102)	(88)	(85)	(112)	(96)	(99)	(98)	(15%)	1%	(388)	(405)	(4%)
Interest expense	(24)	(8)	(7)	(11)	(42)	(17)	(16)	(23)	(109%)	(44%)	(50)	(98)	(96%)
Net revenues	(89)	(94)	(81)	(74)	(70)	(79)	(83)	(75)	(1%)	10%	(338)	(307)	9%
Total non-interest expenses	(121)	(122)	(116)	(108)	(103)	(108)	(114)	(103)	5%	10%	(467)	(428)	8%
Income before taxes and dividends on preferred securities subject to mandatory redemption	32	28	35	34	33	29	31	28	(18%)	(10%)	129	121	(6%)
Income tax expense	10	9	12	11	14	12	13	11	--	(15%)	42	50	19%
Net income	<u>\$ 22</u>	<u>\$ 19</u>	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 19</u>	<u>\$ 17</u>	<u>\$ 18</u>	<u>\$ 17</u>	(26%)	(6%)	<u>\$ 87</u>	<u>\$ 71</u>	(18%)

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.
Refer to Legal Notice page 21.

The following (page 14) presents more detailed financial information regarding the results of operations for the combined institutional securities, individual investor group and investment management businesses. Morgan Stanley believes that a combined presentation is informative due to certain synergies among these businesses, as well as to facilitate comparisons of the Company's results with those of other companies in the financial services industry that have securities and asset management businesses. Morgan Stanley provides this type of presentation for its credit services activities (page 15) in order to provide helpful comparison to other credit card issuers.

MORGAN STANLEY
Quarterly Institutional Securities, Individual Investor Group and Investment Management (1)
Combined Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 4Q02	Nov 30, 2002	Nov 30, 2003	
Investment banking	\$ 674	\$ 663	\$ 470	\$ 671	\$ 589	\$ 536	\$ 608	\$ 707	5%	16%	\$ 2,478	\$ 2,440	(2%)
Principal transactions:													
Trading	1,132	696	469	433	1,556	1,583	2,105	894	106%	(58%)	2,730	6,138	125%
Investments	33	(16)	(64)	16	(22)	59	38	11	(31%)	(71%)	(31)	86	*
Commissions	777	900	854	747	673	709	775	813	9%	5%	3,278	2,970	(9%)
Asset management, distribution and administration fees	1,012	1,049	969	902	896	881	956	973	8%	2%	3,932	3,706	(6%)
Interest and dividends	3,297	3,275	3,730	3,182	3,282	3,159	3,029	4,254	34%	40%	13,484	13,725	2%
Other	197	115	207	122	90	113	96	152	25%	58%	641	451	(30%)
Total revenues	7,122	6,682	6,635	6,073	7,064	7,040	7,607	7,804	29%	3%	26,512	29,516	11%
Interest expense	2,681	2,586	2,926	2,745	2,488	2,873	3,187	3,526	28%	11%	10,938	12,075	10%
Net revenues	4,441	4,096	3,709	3,328	4,576	4,167	4,420	4,278	29%	(3%)	15,574	17,441	12%
Compensation and benefits	2,299	2,042	1,858	971	2,336	2,073	1,745	1,572	62%	(10%)	7,170	7,726	8%
Occupancy and equipment	182	190	180	200	176	176	170	191	(5%)	12%	752	713	(5%)
Brokerage, clearing and exchange fees	183	176	207	213	191	202	212	233	9%	10%	779	838	8%
Information processing and communications	242	245	248	280	228	234	227	242	(14%)	7%	1,015	931	(8%)
Marketing and business development	124	149	139	152	109	123	107	148	(3%)	38%	564	487	(14%)
Professional services	174	191	211	266	174	196	218	290	9%	33%	842	878	4%
Other	143	166	213	153	226	550	156	262	71%	68%	675	1,194	77%
Restructuring and other charges	0	0	0	235	0	0	0	0	*	--	235	0	*
Total non-interest expenses	3,347	3,159	3,056	2,470	3,440	3,554	2,835	2,938	19%	4%	12,032	12,767	6%
Income before losses from unconsolidated investees, taxes and dividends on preferred securities subject to mandatory redemption	1,094	937	653	858	1,136	613	1,585	1,340	56%	(15%)	3,542	4,674	32%
Losses from unconsolidated investees	11	11	13	42	34	36	105	104	148%	(1%)	77	279	*
Income tax expense	379	301	217	253	367	128	349	308	22%	(12%)	1,150	1,142	(1%)
Div. on pref. sec. subject to mandatory redemption	22	22	21	22	22	40	47	45	105%	(4%)	87	154	77%
Net income	\$ 682	\$ 603	\$ 402	\$ 541	\$ 723	\$ 409	\$ 1,084	\$ 883	63%	(19%)	\$ 2,228	\$ 3,099	39%
Compensation and benefits as a % of net revenues	52%	50%	50%	29%	51%	50%	40%	37%			46%	44%	
Non-compensation expenses as a % of net revenues (2)	24%	27%	32%	38%	24%	36%	25%	32%			30%	29%	
Pre-tax profit margin (3)	24%	22%	17%	24%	24%	13%	32%	28%			22%	24%	
Pre-tax profit margin excl. losses from unconsolidated investees (4)	24%	22%	17%	25%	24%	14%	35%	30%			22%	26%	
After-tax profit margin (5)	15%	15%	11%	16%	16%	10%	25%	21%			14%	18%	
Number of employees (6)	43,878	43,237	42,585	40,424	38,867	38,031	37,493	37,435	(7%)	--			

- (1) Includes the elimination of intersegment activity.
- (2) Excludes restructuring and other charges.
- (3) Income before taxes, less losses from unconsolidated investees and dividends on preferred securities, as a % of net revenues.
- (4) Income before taxes, less dividends on preferred securities, as a % of net revenues.
- (5) Net income as a % of net revenues.
- (6) Includes Institutional Securities, Individual Investor Group, Investment Management and Infrastructure / Company areas.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.
Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Credit Services Income Statement Information
(unaudited, dollars in millions)
(Managed Loan Basis)

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	4Q03 vs. 4Q02	4Q03 vs. 3Q03	Nov 30, 2002	Nov 30, 2003	
Fees:													
Merchant and cardmember	\$ 526	\$ 517	\$ 525	\$ 542	\$ 548	\$ 523	\$ 523	\$ 512	(6%)	(2%)	\$ 2,110	\$ 2,106	--
Servicing	0	0	0	0	0	0	0	0	--	--	0	0	--
Other	17	35	25	3	53	36	19	1	(67%)	(95%)	80	109	36%
Total non-interest revenues	543	552	550	545	601	559	542	513	(6%)	(5%)	2,190	2,215	1%
Interest revenue	1,611	1,614	1,643	1,606	1,580	1,592	1,576	1,517	(6%)	(4%)	6,474	6,265	(3%)
Interest expense	499	480	483	475	441	410	391	366	(23%)	(6%)	1,937	1,608	(17%)
Net interest income	1,112	1,134	1,160	1,131	1,139	1,182	1,185	1,151	2%	(3%)	4,537	4,657	3%
Provision for consumer loan losses	832	812	777	749	842	857	893	853	14%	(4%)	3,170	3,445	9%
Net credit income	280	322	383	382	297	325	292	298	(22%)	2%	1,367	1,212	(11%)
Net revenues	823	874	933	927	898	884	834	811	(13%)	(3%)	3,557	3,427	(4%)
Compensation and benefits	191	196	205	178	213	201	195	210	18%	8%	770	819	6%
Occupancy and equipment	16	18	18	21	20	19	21	21	--	--	73	81	11%
Information processing and communications	79	91	93	97	87	81	88	101	4%	15%	360	357	(1%)
Marketing and business development	121	103	147	170	154	128	90	108	(36%)	20%	541	480	(11%)
Professional services	51	59	62	80	51	63	65	78	(3%)	20%	252	257	2%
Other	112	97	92	82	83	90	83	84	2%	1%	383	340	(11%)
Total non-interest expenses	570	564	617	628	608	582	542	602	(4%)	11%	2,379	2,334	(2%)
Income before taxes	253	310	316	299	290	302	292	209	(30%)	(28%)	1,178	1,093	(7%)
Income tax expense	87	116	107	108	108	112	107	78	(28%)	(27%)	418	405	(3%)
Net income	<u>\$ 166</u>	<u>\$ 194</u>	<u>\$ 209</u>	<u>\$ 191</u>	<u>\$ 182</u>	<u>\$ 190</u>	<u>\$ 185</u>	<u>\$ 131</u>	(31%)	(29%)	<u>\$ 760</u>	<u>\$ 688</u>	(9%)
Compensation and benefits as a % of net revenues	23%	22%	22%	19%	24%	23%	23%	26%			22%	24%	
Non-compensation expenses as a % of net revenues	46%	42%	44%	49%	44%	43%	42%	48%			45%	44%	
Pre-tax profit margin (1)	31%	35%	34%	32%	32%	34%	35%	26%			33%	32%	
After-tax profit margin (2)	20%	22%	22%	21%	20%	21%	22%	16%			21%	20%	
Number of employees	15,997	15,301	15,214	15,302	15,626	15,476	14,712	13,761	(10%)	(6%)			

(1) Income before taxes as a % of net revenues.

(2) Net income as a % of net revenues.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

The following pages 16 - 19 present a reconciliation for certain information disclosed on pages 11, 12 and 15.

The data is presented on both a "managed" loan basis and as reported under generally accepted accounting principles ("owned" loan basis). Managed loan data assumes that the Company's securitized loan receivables have not been sold and presents the results of securitized loan receivables in the same manner as the Company's owned loans. The Company operates its Credit Services business and analyzes its financial performance on a managed basis. Accordingly, underwriting and servicing standards are comparable for both owned and securitized loans. The Company believes that managed loan information is useful to investors because it provides information regarding the quality of loan origination and credit performance of the entire managed portfolio and allows investors to understand the related credit risks inherent in owned loans and retained interests in securitizations. In addition, investors often request information on a managed basis, which provides a more meaningful comparison to industry competitors.

MORGAN STANLEY
Quarterly Credit Services Reconciliation of General Purpose Credit Card Loan Data (1)
(unaudited, dollars in millions)

Quarter Ended November 30, 2003							
	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	Delinquency Rate	
						30 Days	90 Days
General Purpose Credit Card Loans:							
Owned	\$ 18,930	\$ 18,143	10.07%	5.86%	6.56%	5.36%	2.53%
Securitized	29,428	30,692	13.23%	10.88%	7.06%	6.36%	3.01%
Managed	<u>\$ 48,358</u>	<u>\$ 48,835</u>	12.05%	9.05%	6.87%	5.97%	2.82%

Quarter Ended August 31, 2003							
	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	Delinquency Rate	
						30 Days	90 Days
General Purpose Credit Card Loans:							
Owned	\$ 18,106	\$ 18,600	10.28%	6.05%	6.26%	5.28%	2.54%
Securitized	31,859	32,063	12.91%	10.52%	7.26%	6.48%	3.12%
Managed	<u>\$ 49,965</u>	<u>\$ 50,663</u>	11.94%	8.91%	6.90%	6.05%	2.91%

Quarter Ended May 31, 2003							
	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	Delinquency Rate	
						30 Days	90 Days
General Purpose Credit Card Loans:							
Owned	\$ 18,465	\$ 19,120	10.57%	6.28%	5.92%	5.27%	2.56%
Securitized	32,415	32,054	12.81%	10.23%	6.84%	6.74%	3.27%
Managed	<u>\$ 50,880</u>	<u>\$ 51,174</u>	11.97%	8.78%	6.50%	6.21%	3.01%

Quarter Ended February 28, 2003							
	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	Delinquency Rate	
						30 Days	90 Days
General Purpose Credit Card Loans:							
Owned	\$ 20,847	\$ 22,305	9.26%	4.73%	5.55%	5.60%	2.63%
Securitized	30,964	30,497	13.61%	10.96%	6.63%	6.82%	3.17%
Managed	<u>\$ 51,811</u>	<u>\$ 52,802</u>	11.78%	8.36%	6.17%	6.33%	2.95%

(1) The tables provide a reconciliation of certain managed and owned basis statistical data (period-end and average loan balances, interest yield, interest spread, net charge-off rates, and 30- and 90-day delinquency rates) for the periods indicated.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Quarterly Credit Services Reconciliation of General Purpose Credit Card Loan Data (1)
(unaudited, dollars in millions)

		Quarter Ended November 30, 2002					Delinquency Rate	
		Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days
General Purpose Credit Card Loans:								
Owned		\$ 22,153	\$ 21,641	10.69%	5.59%	5.83%	5.32%	2.41%
Securitized		28,990	28,598	13.78%	10.84%	6.03%	6.45%	2.85%
Managed		<u>\$ 51,143</u>	<u>\$ 50,239</u>	12.45%	8.62%	5.95%	5.96%	2.66%
		Quarter Ended August 31, 2002					Delinquency Rate	
		Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days
General Purpose Credit Card Loans:								
Owned		\$ 21,452	\$ 20,083	12.09%	6.68%	6.07%	5.37%	2.38%
Securitized		28,225	29,261	13.40%	10.41%	6.07%	5.98%	2.57%
Managed		<u>\$ 49,677</u>	<u>\$ 49,344</u>	12.86%	8.91%	6.07%	5.72%	2.49%
		Quarter Ended May 31, 2002					Delinquency Rate	
		Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days
General Purpose Credit Card Loans:								
Owned		\$ 19,834	\$ 20,362	11.08%	5.81%	6.15%	5.23%	2.49%
Securitized		29,543	29,017	13.73%	10.71%	6.50%	5.91%	2.76%
Managed		<u>\$ 49,377</u>	<u>\$ 49,379</u>	12.64%	8.72%	6.35%	5.63%	2.65%
		Quarter Ended February 28, 2002					Delinquency Rate	
		Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days
General Purpose Credit Card Loans:								
Owned		\$ 20,138	\$ 20,558	10.28%	4.87%	6.21%	5.96%	2.79%
Securitized		29,431	29,838	14.25%	11.15%	6.53%	7.29%	3.36%
Managed		<u>\$ 49,569</u>	<u>\$ 50,396</u>	12.63%	8.61%	6.40%	6.75%	3.12%

(1) The tables provide a reconciliation of certain managed and owned basis statistical data (period-end and average loan balances, interest yield, interest spread, net charge-off rates, and 30- and 90-day delinquency rates) for the periods indicated.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Year to Date Credit Services Reconciliation of General Purpose Credit Card Loan Data (1)
(unaudited, dollars in millions)

		Twelve Months Ended Nov 30, 2003					Delinquency Rate	
General Purpose Credit Card Loans:	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days	
Owned	\$ 18,930	\$ 19,531	10.02%	5.69%	6.05%	5.36%	2.53%	
Securitized	29,428	31,333	13.13%	10.64%	6.95%	6.36%	3.01%	
Managed	<u>\$ 48,358</u>	<u>\$ 50,864</u>	11.93%	8.77%	6.60%	5.97%	2.82%	

		Twelve Months Ended Nov 30, 2002					Delinquency Rate	
General Purpose Credit Card Loans:	Period End	Average	Interest Yield	Interest Spread	Net Charge-offs	30 Days	90 Days	
Owned	\$ 22,153	\$ 20,659	11.03%	5.74%	6.06%	5.32%	2.41%	
Securitized	28,990	29,176	13.79%	10.78%	6.29%	6.45%	2.85%	
Managed	<u>\$ 51,143</u>	<u>\$ 49,835</u>	12.64%	8.71%	6.19%	5.96%	2.66%	

(1) The tables provide a reconciliation of certain managed and owned basis statistical data (period-end and average loan balances, interest yield, interest spread, net charge-off rates, and 30- and 90-day delinquency rates) for the periods indicated.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

MORGAN STANLEY
Reconciliation of Managed Income Statement Data (1)
(unaudited, dollars in millions)

	QUARTER ENDED								Twelve Months Ended	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003	Nov 30, 2002	Nov 30, 2003
Merchant and cardmember fees:										
Owned	\$ 341	\$ 348	\$ 359	\$ 372	\$ 364	\$ 338	\$ 340	\$ 337	\$ 1,420	\$ 1,379
Securitization adjustment	185	169	166	170	184	185	183	175	690	727
Managed	<u>\$ 526</u>	<u>\$ 517</u>	<u>\$ 525</u>	<u>\$ 542</u>	<u>\$ 548</u>	<u>\$ 523</u>	<u>\$ 523</u>	<u>\$ 512</u>	<u>\$ 2,110</u>	<u>\$ 2,106</u>
Servicing fees:										
Owned	\$ 541	\$ 506	\$ 510	\$ 523	\$ 567	\$ 503	\$ 462	\$ 483	\$ 2,080	\$ 2,015
Securitization adjustment	(541)	(506)	(510)	(523)	(567)	(503)	(462)	(483)	(2,080)	(2,015)
Managed	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other:										
Owned	\$ 2	\$ 16	\$ 12	\$ 0	\$ (4)	\$ 6	\$ 18	\$ (5)	\$ 30	\$ 15
Securitization adjustment	15	19	13	3	57	30	1	6	50	94
Managed	<u>\$ 17</u>	<u>\$ 35</u>	<u>\$ 25</u>	<u>\$ 3</u>	<u>\$ 53</u>	<u>\$ 36</u>	<u>\$ 19</u>	<u>\$ 1</u>	<u>\$ 80</u>	<u>\$ 109</u>
Interest revenue:										
Owned	\$ 553	\$ 602	\$ 646	\$ 612	\$ 546	\$ 543	\$ 515	\$ 487	\$ 2,413	\$ 2,091
Securitization adjustment	1,058	1,012	997	994	1,034	1,049	1,061	1,030	4,061	4,174
Managed	<u>\$ 1,611</u>	<u>\$ 1,614</u>	<u>\$ 1,643</u>	<u>\$ 1,606</u>	<u>\$ 1,580</u>	<u>\$ 1,592</u>	<u>\$ 1,576</u>	<u>\$ 1,517</u>	<u>\$ 6,474</u>	<u>\$ 6,265</u>
Interest expense:										
Owned	\$ 269	\$ 258	\$ 262	\$ 261	\$ 239	\$ 197	\$ 191	\$ 179	\$ 1,050	\$ 806
Securitization adjustment	230	222	221	214	202	213	200	187	887	802
Managed	<u>\$ 499</u>	<u>\$ 480</u>	<u>\$ 483</u>	<u>\$ 475</u>	<u>\$ 441</u>	<u>\$ 410</u>	<u>\$ 391</u>	<u>\$ 366</u>	<u>\$ 1,937</u>	<u>\$ 1,608</u>
Provision for consumer loan losses:										
Owned	\$ 345	\$ 340	\$ 332	\$ 319	\$ 336	\$ 309	\$ 310	\$ 312	\$ 1,336	\$ 1,267
Securitization adjustment	487	472	445	430	506	548	583	541	1,834	2,178
Managed	<u>\$ 832</u>	<u>\$ 812</u>	<u>\$ 777</u>	<u>\$ 749</u>	<u>\$ 842</u>	<u>\$ 857</u>	<u>\$ 893</u>	<u>\$ 853</u>	<u>\$ 3,170</u>	<u>\$ 3,445</u>

(1) The tables provide a reconciliation of certain managed and owned basis income statement data (merchant and cardmember fees, servicing fees, other revenue, interest revenue, interest expense and provision for consumer loan losses) for the periods indicated.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

The following (page 20) presents a reconciliation for adjusted assets.

Balance sheet leverage ratios are one indicator of capital adequacy when viewed in the context of a company's overall liquidity and capital policies. The Company views the adjusted leverage ratio as a more relevant measure of financial risk when comparing financial services firms and evaluating leverage trends. This ratio is adjusted to reflect the low-risk nature of assets attributable to matched resale agreements, certain securities borrowed transactions and segregated customer cash balances. In addition, the adjusted leverage ratio reflects the deduction from shareholders' equity of the amount of equity used to support goodwill, as the Company does not view this amount of equity as available to support its risk capital needs.

MORGAN STANLEY
Quarterly Reconciliation of Adjusted Assets
(unaudited, dollars in millions, except ratios)

	QUARTER ENDED							
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	Aug 31, 2003	Nov 30, 2003
Total assets	\$ 491,651	\$ 553,924	\$ 516,772	\$ 529,499	\$ 559,436	\$ 586,881	\$ 580,632	\$ 602,843
Less:								
Lesser of securities purchased under agreements to resell or securities sold under agreements to repurchase	(58,879)	(79,826)	(65,512)	(76,910)	(59,687)	(71,374)	(74,271)	(78,205)
Assets recorded under certain provisions of SFAS No. 140 and FIN 46	(12,350)	(12,329)	(10,634)	(19,224)	(21,194)	(24,837)	(28,920)	(35,217)
Lesser of securities borrowed or securities loaned	(35,021)	(39,197)	(45,567)	(43,229)	(55,031)	(55,388)	(57,490)	(64,375)
Segregated customer cash and securities balances	(42,186)	(38,825)	(32,095)	(30,217)	(32,961)	(26,829)	(25,670)	(20,705)
Goodwill	(1,433)	(1,441)	(1,447)	(1,449)	(1,460)	(1,476)	(1,466)	(1,514)
Adjusted assets	<u>\$ 341,782</u>	<u>\$ 382,306</u>	<u>\$ 361,517</u>	<u>\$ 358,470</u>	<u>\$ 389,103</u>	<u>\$ 406,977</u>	<u>\$ 392,815</u>	<u>\$ 402,827</u>
Shareholders' equity	\$ 20,892	\$ 21,276	\$ 21,416	\$ 21,885	\$ 22,465	\$ 22,631	\$ 23,707	\$ 25,034
Preferred securities subject to mandatory redemption	1,210	1,210	1,210	1,210	2,010	2,710	2,810	2,810
Subtotal	22,102	22,486	22,626	23,095	24,475	25,341	26,517	27,844
Less: Goodwill	(1,433)	(1,441)	(1,447)	(1,449)	(1,460)	(1,476)	(1,466)	(1,514)
Tangible shareholders' equity	<u>\$ 20,669</u>	<u>\$ 21,045</u>	<u>\$ 21,179</u>	<u>\$ 21,646</u>	<u>\$ 23,015</u>	<u>\$ 23,865</u>	<u>\$ 25,051</u>	<u>\$ 26,330</u>
Leverage ratio (1)	<u>23.8x</u>	<u>26.3x</u>	<u>24.4x</u>	<u>24.5x</u>	<u>24.3x</u>	<u>24.6x</u>	<u>23.2x</u>	<u>22.9x</u>
Adjusted leverage ratio (2)	<u>16.5x</u>	<u>18.2x</u>	<u>17.1x</u>	<u>16.6x</u>	<u>16.9x</u>	<u>17.1x</u>	<u>15.7x</u>	<u>15.3x</u>

(1) Leverage ratio equals total assets divided by tangible shareholders' equity.

(2) Adjusted leverage ratio equals adjusted total assets divided by tangible shareholders' equity.

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 21.

This Financial Supplement contains financial, statistical and business-related information, as well as business and segment trends. The information should be read in conjunction with the Company's fourth quarter earnings press release issued January 23, 2004.