

## News

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**MORGAN STANLEY DEAN WITTER ANNOUNCES  
RECORD FULL-YEAR NET INCOME OF \$5.5 BILLION;  
FOURTH QUARTER NET INCOME OF \$1.2 BILLION;  
DIVIDEND INCREASE OF 15%**

NEW YORK, December 19, 2000 — Morgan Stanley Dean Witter & Co. (NYSE: MWD) today reported record net income for the full fiscal year of \$5,456 million, 14 percent higher than \$4,791 million a year ago. Diluted earnings per share were \$4.73, up 15 percent from last year's \$4.10. Full year net revenues (total revenues less interest expense and the provision for loan losses) rose 20 percent to a record \$26.4 billion and the return on average common equity was 30.9 percent.

Net income for the fourth quarter ended November 30, 2000 was \$1,208 million — a 26 percent decline from last year's fourth quarter record \$1,633 million. Diluted earnings per share were \$1.06 — down 25 percent from \$1.42 a year ago. Fourth quarter net revenues of \$5.7 billion equaled last year's fourth quarter. The annualized return on average common equity for the quarter was 26.5 percent.

Philip J. Purcell, Chairman, and John J. Mack, President, said in a joint statement, "We are very pleased with our results for the year, which included a 20 percent increase in revenues and a 31 percent return on equity. Our three major businesses —

securities, asset management and Discover Card — all had record net income for the year. At the same time, we are disappointed with the decline in our operating margins. Weak results in fixed income and private equity and unusual compensation pressure in institutional securities contributed to the decline. However, we continued to invest in our businesses and as a result, we believe we are well-positioned to take full advantage of the strong secular growth in global financial services.”

The Company also announced that its Board of Directors declared a \$.23 quarterly dividend per common share — a 15 percent increase from \$.20 per common share in the previous quarter. The dividend is payable on January 30, 2001 to common shareholders of record on January 12, 2001.

## ***SECURITIES***

### **FULL YEAR**

The Company’s securities business posted record net income of \$4,047 million in fiscal 2000, up 10 percent over last year. Net revenues rose 22% to \$20 billion, reflecting record revenues in the Company’s institutional and individual securities businesses.

In institutional securities, the Company achieved record revenues in equities, investment banking and commodities, and continued to benefit from its expanding global presence. For the first eleven months of calendar 2000, the Company maintained its industry leadership position in announced and completed global merger and acquisition transactions, worldwide equity and equity-related underwritings, and worldwide investment grade debt underwriting. In M&A, the Company achieved global announced transaction dollar volume of \$1.1 trillion and market share of 35 percent.<sup>1</sup> In equity research, the Company ranked first in *Institutional Investor’s* 2000 Global Research Poll and tied for first in the 2000 All-America Research Poll.

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<sup>1</sup> Source: Thomson Financial Securities Data – January 1 to November 30, 2000.

The Individual Investor Group (IIG, formerly the Private Client Group) also achieved record full-year results, driven by higher revenues from fee-based products and record volumes in listed and over-the-counter equity markets. The number of global financial advisors increased by 1,236 to a record 13,910. The Individual Investor Group also achieved a net increase of 664,000 domestic client accounts to a record 5.4 million. Client assets in fee-based accounts increased 28 percent from a year ago, and total client assets increased \$64 billion to stand at \$659 billion at fiscal year end.

#### **FOURTH QUARTER**

The Company's securities business posted net income of \$888 million, a 36% decline versus the record fourth quarter 1999. The decrease reflected a modest decline in net revenues and broadly higher expenses related to higher compensation levels and staff increases in our global equities, investment banking and individual investor businesses.

- Continued strong revenues in equities and investment banking helped offset weakness in the high yield market and lower customer volumes in fixed income overall. Institutional securities also continued to benefit from its strong global franchise, particularly in the European and Asian markets.
- Equities' results were driven by strong performances in both cash products and derivatives trading. Cash benefited from record domestic volume levels and increased volumes in Europe and Asia, while derivatives benefited from increased volatility.
- Investment banking quarterly results were adversely affected by unusual compensation pressure, related to increased staff and the competitive environment, which more than offset the benefits of high volume in global M&A activity and the continued strong performance in our equity underwriting business.
- IIG's quarterly results benefited from significant increases in fee-based revenues which more than offset a modest decline in commissions. In addition, sales of fee-based products this quarter were above levels reached a year earlier.

- The private equity group reported negative investment revenues of \$73 million for the fourth quarter compared to a gain of \$173 million a year ago. These results reflected lower securities prices, primarily in the telecommunications and Internet sectors.

## ***ASSET MANAGEMENT***

### **FULL YEAR**

The Company's asset management business reported record net income of \$683 million, up 52 percent over 1999. The Company continued to grow its assets under management. At fiscal year end, these assets stood at \$502 billion, an increase of \$30 billion from a year ago. The Company had positive net sales for the year and launched 20 new funds generating sales of \$13.5 billion, compared to 18 new funds and sales of \$6.1 billion a year ago. In addition, Unit Investment Trust sales were a record \$16.6 billion, 25 percent above last year.

### **FOURTH QUARTER**

Asset management's quarterly net income was \$170 million, up 50 percent from \$113 million in the fourth quarter of 1999. The increase resulted primarily from growth in the Company's average assets under management and a shift in asset mix to a greater percentage of equity products.

- Retail assets fell \$35 billion during the quarter but were up \$27 billion over a year ago — to stand at \$319 billion. Institutional assets declined \$11 billion during the quarter but increased \$3 billion over the past twelve months to stand at \$183 billion. Both businesses had positive net fund sales for the quarter. However, quarter-to-quarter declines resulted from lower market values.
- The launch of the MSDW Technology Fund was the Company's second largest equity fund offering ever — raising \$1.3 billion in initial assets.

- Reflecting continued improvement in fund performance, the number of the company's funds rated four or five stars overall by Morningstar<sup>2</sup> rose to 59 from 51 funds a year ago. The Company continued to have the second highest number of domestic funds receiving Morningstar's two highest ratings.

## ***CREDIT SERVICES***

### **FULL YEAR**

Credit services record net income of \$726 million increased 10 percent from a year ago. Net revenues rose approximately \$400 million, or 11 percent, to more than \$3.9 billion. Managed consumer loans increased 24 percent to a record \$47.1 billion and transaction volume surged 28 percent to a record \$90.1 billion. The consumer loan charge-off rate declined 102 basis points to 4.40 percent and the over-thirty-day delinquency rate fell 40 basis points to 5.92 percent. Discover enrolled a record 670,000 merchant locations during the year, and added 6.1 million new cardmember accounts — the largest number of new accounts since 1987.

### **FOURTH QUARTER**

Credit services net income rose 20 percent from a year ago to \$150 million. Higher consumer loan balances and increased transaction volume contributed to this increase.

- Managed consumer loans rose to a record \$47.1 billion, an increase of \$9.2 billion, or 24 percent, from a year ago.
- Merchant and cardmember fees increased 11 percent from a year ago to \$597 million. Transaction volume also increased 11 percent to \$22.8 billion, driven by higher sales volume and balance transfers.
- The consumer loan net charge-off rate was 4.57 percent compared to last year's fourth quarter 4.63 percent.
- Discover opened over 1.6 million new cardmember accounts during the quarter and now has a record 42.6 million accounts.

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<sup>2</sup> As of October 31, 2000.

Total capital at November 30, 2000 was \$49.6 billion, including \$19.7 billion of common and preferred stockholders' equity and preferred securities issued by subsidiaries. Book value per common share was \$16.91, based on quarter-end shares outstanding of 1.1 billion.

The Company repurchased approximately 47 million shares of its common stock during the 2000 fiscal year.

Morgan Stanley Dean Witter & Co. is a global financial services firm and a market leader in securities, asset management and credit services. The Company has offices in New York, London, Tokyo, Hong Kong and other principal financial centers around the world and has 524 securities branch offices throughout the United States.

Access this press release on-line @ [www.msdc.com](http://www.msdc.com)

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(See Attached Schedules)

This release may contain forward-looking statements. These statements, which reflect management's beliefs and expectations, are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of the risks and uncertainties that may affect the Company's future results, please see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 1999 Annual Report to Shareholders and the Company's Quarterly Reports on Form 10-Q for fiscal 2000.

MORGAN STANLEY DEAN WITTER & CO.

Financial Summary  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
<b>Net revenues</b>								
Securities	\$ 4,006	\$ 4,125	\$ 4,602	(3%)	(13%)	\$ 19,980	\$ 16,312	22%
Asset Management	658	545	639	21%	3%	2,526	2,112	20%
Credit Services	990	963	1,053	3%	(6%)	3,921	3,522	11%
Consolidated net revenues	<u>\$ 5,654</u>	<u>\$ 5,633</u>	<u>\$ 6,294</u>	--	(10%)	<u>\$ 26,427</u>	<u>\$ 21,946</u>	20%
<b>Net income</b>								
Securities	\$ 888	\$ 1,395	\$ 825	(36%)	8%	\$ 4,047	\$ 3,681	10%
Asset Management	170	113	199	50%	(15%)	683	448	52%
Credit Services	150	125	222	20%	(32%)	726	662	10%
Consolidated net income	<u>\$ 1,208</u>	<u>\$ 1,633</u>	<u>\$ 1,246</u>	(26%)	(3%)	<u>\$ 5,456</u>	<u>\$ 4,791</u>	14%
Preferred stock dividend requirements	<u>\$ 9</u>	<u>\$ 11</u>	<u>\$ 9</u>	(18%)	--	<u>\$ 36</u>	<u>\$ 44</u>	(18%)
Earnings applicable to common shares	<u>\$ 1,199</u>	<u>\$ 1,622</u>	<u>\$ 1,237</u>	(26%)	(3%)	<u>\$ 5,420</u>	<u>\$ 4,747</u>	14%
<b>Earnings per common share</b>								
Basic	\$ 1.10	\$ 1.50	\$ 1.14	(27%)	(4%)	\$ 4.95	\$ 4.33	14%
Diluted	\$ 1.06	\$ 1.42	\$ 1.09	(25%)	(3%)	\$ 4.73	\$ 4.10	15%
<b>Average common shares outstanding</b>								
Basic	1,089,728,519	1,079,522,844	1,088,218,669			1,095,858,438	1,096,789,720	
Diluted	1,135,358,763	1,142,086,246	1,137,304,026			1,145,011,515	1,159,500,670	
<b>Period end common shares outstanding</b>	1,107,270,331	1,104,630,098	1,121,597,725			1,107,270,331	1,104,630,098	
Return on common equity	26.5%	43.1%	27.6%			30.9%	32.6%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Consolidated Income Statement Information**  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
Investment banking	\$ 1,131	\$ 1,338	\$ 1,172	(15%)	(3%)	\$ 5,008	\$ 4,523	11%
Principal transactions:								
Trading	985	1,138	1,630	(13%)	(40%)	7,393	5,830	27%
Investments	(70)	232	68	(130%)	(203%)	193	725	(73%)
Commissions	858	741	831	16%	3%	3,645	2,774	31%
Fees:								
Asset management, distribution and administration	1,086	874	1,092	24%	(1%)	4,219	3,324	27%
Merchant and cardmember	443	402	447	10%	(1%)	1,780	1,492	19%
Servicing	390	318	424	23%	(8%)	1,450	1,194	21%
Interest and dividends	5,465	3,810	5,897	43%	(7%)	21,234	14,880	43%
Other	156	74	150	111%	4%	491	248	98%
Total revenues	10,444	8,927	11,711	17%	(11%)	45,413	34,990	30%
Interest expense	4,582	3,174	5,242	44%	(13%)	18,176	12,515	45%
Provision for consumer loan losses	208	120	175	73%	19%	810	529	53%
Net revenues	5,654	5,633	6,294	--	(10%)	26,427	21,946	20%
Compensation and benefits	1,775	1,320	2,656	34%	(33%)	10,936	8,398	30%
Occupancy and equipment	221	178	202	24%	9%	772	643	20%
Brokerage, clearing and exchange fees	136	116	132	17%	3%	519	485	7%
Information processing and communications	437	376	392	16%	11%	1,556	1,325	17%
Marketing and business development	578	495	507	17%	14%	2,058	1,679	23%
Professional services	362	269	275	35%	32%	1,037	836	24%
Other	256	244	255	5%	--	1,058	852	24%
Total non-interest expenses	3,765	2,998	4,419	26%	(15%)	17,936	14,218	26%
Gain on sale of business	0	0	35	--	*	35	0	*
Income before income taxes	1,889	2,635	1,910	(28%)	(1%)	8,526	7,728	10%
Income tax expense	681	1,002	664	(32%)	3%	3,070	2,937	5%
Net income	\$ 1,208	\$ 1,633	\$ 1,246	(26%)	(3%)	\$ 5,456	\$ 4,791	14%
Preferred stock dividend requirements	\$ 9	\$ 11	\$ 9	(18%)	--	\$ 36	\$ 44	(18%)
Earnings applicable to common shares	\$ 1,199	\$ 1,622	\$ 1,237	(26%)	(3%)	\$ 5,420	\$ 4,747	14%
Compensation and benefits as a % of net revenues	31%	23%	42%			41%	38%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Securities Income Statement Information**  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
Investment banking	\$ 1,108	\$ 1,315	\$ 1,145	(16%)	(3%)	\$ 4,881	\$ 4,430	10%
Principal transactions:								
Trading	985	1,138	1,630	(13%)	(40%)	7,393	5,830	27%
Investments	(103)	227	55	(145%)	*	133	712	(81%)
Commissions	854	739	828	16%	3%	3,629	2,770	31%
Fees:								
Asset management, distribution and administration fees	514	374	512	37%	--	1,967	1,374	43%
Interest and dividends	4,745	3,173	5,206	50%	(9%)	18,308	12,573	46%
Other	156	74	150	111%	4%	491	248	98%
Total revenues	<u>8,259</u>	<u>7,040</u>	<u>9,526</u>	17%	(13%)	<u>36,802</u>	<u>27,937</u>	32%
Interest expense	<u>4,253</u>	<u>2,915</u>	<u>4,924</u>	46%	(14%)	<u>16,822</u>	<u>11,625</u>	45%
Net revenues	<u>4,006</u>	<u>4,125</u>	<u>4,602</u>	(3%)	(13%)	<u>19,980</u>	<u>16,312</u>	22%
Compensation and benefits	1,421	1,000	2,305	42%	(38%)	9,557	7,225	32%
Occupancy and equipment	181	139	163	30%	11%	621	493	26%
Brokerage, clearing and exchange fees	104	99	109	5%	(5%)	425	378	12%
Information processing and communications	283	220	245	29%	16%	986	756	30%
Marketing and business development	189	137	176	38%	7%	706	511	38%
Professional services	292	182	223	60%	31%	817	578	41%
Other	152	144	147	6%	3%	631	507	24%
Total non-interest expenses	<u>2,622</u>	<u>1,921</u>	<u>3,368</u>	36%	(22%)	<u>13,743</u>	<u>10,448</u>	32%
Income before income taxes	1,384	2,204	1,234	(37%)	12%	6,237	5,864	6%
Income tax expense	496	809	409	(39%)	21%	2,190	2,183	--
Net income	<u>\$ 888</u>	<u>\$ 1,395</u>	<u>\$ 825</u>	(36%)	8%	<u>\$ 4,047</u>	<u>\$ 3,681</u>	10%
Compensation and benefits as a % of net revenues	35%	24%	50%			48%	44%	
Non-compensation expenses as a % of net revenues	30%	22%	23%			21%	20%	
Profit margin (1)	22%	34%	18%			20%	23%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Asset Management Income Statement Information**  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
Investment banking	\$ 23	\$ 23	\$ 27	--	(15%)	\$ 127	\$ 93	37%
Principal transactions:								
Investments	33	5	13	*	154%	60	13	*
Commissions	4	2	3	100%	33%	16	4	*
Asset management, distribution and administration fees	572	500	580	14%	(1%)	2,252	1,950	15%
Interest and dividends	28	15	18	87%	56%	78	61	28%
Total revenues	660	545	641	21%	3%	2,533	2,121	19%
Interest expense	2	0	2	*	--	7	9	(22%)
Net revenues	658	545	639	21%	3%	2,526	2,112	20%
Compensation and benefits	180	169	187	7%	(4%)	751	648	16%
Occupancy and equipment	23	25	23	(8%)	--	89	96	(7%)
Brokerage, clearing and exchange fees	32	17	23	88%	39%	94	107	(12%)
Information processing and communications	21	28	19	(25%)	11%	77	92	(16%)
Marketing and business development	49	30	38	63%	29%	161	127	27%
Professional services	34	48	22	(29%)	55%	101	137	(26%)
Other	34	35	33	(3%)	3%	143	138	4%
Total non-interest expenses	373	352	345	6%	8%	1,416	1,345	5%
Gain on sale of business	0	0	35	--	*	35	0	*
Income before income taxes	285	193	329	48%	(13%)	1,145	767	49%
Income tax expense	115	80	130	44%	(12%)	462	319	45%
Net income	<u>\$ 170</u>	<u>\$ 113</u>	<u>\$ 199</u>	50%	(15%)	<u>\$ 683</u>	<u>\$ 448</u>	52%
Compensation and benefits as a % of net revenues	27%	31%	29%			30%	31%	
Non-compensation expenses as a % of net revenues	29%	34%	25%			26%	33%	
Profit margin (1)	26%	21%	31%			27%	21%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Credit Services Income Statement Information**  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
Fees:								
Merchant and cardmember Servicing	\$ 443	\$ 402	\$ 447	10%	(1%)	\$ 1,780	\$ 1,492	19%
Total non-interest revenues	390	318	424	23%	(8%)	1,450	1,194	21%
Interest revenue	833	720	871	16%	(4%)	3,230	2,686	20%
Interest expense	692	622	673	11%	3%	2,848	2,246	27%
Net interest income	327	259	316	26%	3%	1,347	881	53%
Provision for consumer loan losses	365	363	357	1%	2%	1,501	1,365	10%
Net credit income	208	120	175	73%	19%	810	529	53%
Net revenues	157	243	182	(35%)	(14%)	691	836	(17%)
Compensation and benefits	990	963	1,053	3%	(6%)	3,921	3,522	11%
Occupancy and equipment	174	151	164	15%	6%	628	525	20%
Information processing and communications	17	14	16	21%	6%	62	54	15%
Marketing and business development	133	128	128	4%	4%	493	477	3%
Professional services	340	328	293	4%	16%	1,191	1,041	14%
Other	36	39	30	(8%)	20%	119	121	(2%)
Total non-interest expenses	70	65	75	8%	(7%)	284	207	37%
Income before income taxes	770	725	706	6%	9%	2,777	2,425	15%
Income tax expense	220	238	347	(8%)	(37%)	1,144	1,097	4%
Net income	70	113	125	(38%)	(44%)	418	435	(4%)
	<u>\$ 150</u>	<u>\$ 125</u>	<u>\$ 222</u>	20%	(32%)	<u>\$ 726</u>	<u>\$ 662</u>	10%
Compensation and benefits as a % of net revenues	18%	16%	16%			16%	15%	
Non-compensation expenses as a % of net revenues	60%	60%	51%			55%	54%	
Profit margin (1)	15%	13%	21%			19%	19%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Credit Services Income Statement Information**  
(unaudited, dollars in millions)  
(Managed loan basis)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
Fees:								
Merchant and cardmember Servicing	\$ 597	\$ 536	\$ 634	11%	(6%)	\$ 2,407	\$ 2,044	18%
	0	0	0	--	--	0	0	--
Total non-interest revenues	597	536	634	11%	(6%)	2,407	2,044	18%
Interest revenue	1,665	1,288	1,617	29%	3%	6,280	4,940	27%
Interest expense	747	511	728	46%	3%	2,809	1,877	50%
Net interest income	918	777	889	18%	3%	3,471	3,063	13%
Provision for consumer loan losses	525	350	470	50%	12%	1,957	1,585	23%
Net credit income	393	427	419	(8%)	(6%)	1,514	1,478	2%
Net revenues	990	963	1,053	3%	(6%)	3,921	3,522	11%
Compensation and benefits	174	151	164	15%	6%	628	525	20%
Occupancy and equipment	17	14	16	21%	6%	62	54	15%
Information processing and communications	133	128	128	4%	4%	493	477	3%
Marketing and business development	340	328	293	4%	16%	1,191	1,041	14%
Professional services	36	39	30	(8%)	20%	119	121	(2%)
Other	70	65	75	8%	(7%)	284	207	37%
Total non-interest expenses	770	725	706	6%	9%	2,777	2,425	15%
Income before income taxes	220	238	347	(8%)	(37%)	1,144	1,097	4%
Income tax expense	70	113	125	(38%)	(44%)	418	435	(4%)
Net income	\$ 150	\$ 125	\$ 222	20%	(32%)	\$ 726	\$ 662	10%
Compensation and benefits as a % of net revenues	18%	16%	16%			16%	15%	
Non-compensation expenses as a % of net revenues	60%	60%	51%			55%	54%	
Profit margin (1)	15%	13%	21%			19%	19%	

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

**MORGAN STANLEY DEAN WITTER & CO.**  
**Financial Information and Statistical Data**  
**(unaudited)**

	Quarter Ended			Percentage Change From:	
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000
<b>MSDW</b>					
Total assets (millions)	\$ 427,000	\$ 367,000	\$ 404,000	16%	6%
Period end common shares outstanding	1,107,270,331	1,104,630,098	1,121,597,725	--	(1%)
Book value per common share	\$ 16.91	\$ 14.85	\$ 16.19	14%	4%
Shareholders' equity (millions) (1)	\$ 19,671	\$ 17,414	\$ 19,054	13%	3%
Total capital (millions) (2)	\$ 49,637	\$ 39,699	\$ 50,311	25%	(1%)
<b>SECURITIES (\$ billions)</b>					
<b>Individual Investor Group</b>					
Global financial advisors	13,910	12,674	13,789	10%	1%
Total client assets	\$ 659	\$ 595	\$ 778	11%	(15%)
Fee-based client account assets (3)	\$ 142	\$ 111	\$ 155	28%	(8%)
<b>Institutional Securities (4)</b>					
Mergers and acquisitions announced transactions (5)					
MSDW global market volume	\$ 1,069.5	\$ 1,003.3	\$ 926.2		
Rank	2	3	1		
Worldwide equity and related issues (5)					
MSDW global market volume	\$ 59.3	\$ 61.8	\$ 43.9		
Rank	3	1	2		
<b>ASSET MANAGEMENT (\$ billions)</b>					
<b>Assets under management or supervision</b>					
Products offered primarily to individuals					
Mutual funds					
Equity	\$ 103	\$ 94	\$ 122	10%	(16%)
Fixed income	46	53	49	(13%)	(6%)
Money markets	57	47	55	21%	4%
Total mutual funds	206	194	226	6%	(9%)
ICS Assets	31	23	34	35%	(9%)
Separate accounts, unit trust and other arrangements	82	75	94	9%	(13%)
Sub-total Individual	319	292	354	9%	(10%)
Products offered primarily to institutional clients					
Mutual funds	36	33	38	9%	(5%)
Separate accounts, pooled vehicle and other arrangements	147	147	156	--	(6%)
Sub-total Institutional	183	180	194	2%	(6%)
<b>Total assets under management or supervision</b>	<b>\$ 502</b>	<b>\$ 472</b>	<b>\$ 548</b>	<b>6%</b>	<b>(8%)</b>

(1) Includes preferred and common equity and preferred securities issued by subsidiaries.

(2) Includes preferred and common equity, preferred securities issued by subsidiaries, capital units and non-current portion of long-term debt.

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

(4) Source: Thomson Financial Securities Data.

(5) Information is year to date and stated on a calendar year basis.

**MORGAN STANLEY DEAN WITTER & CO.**  
**Financial Information and Statistical Data**  
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Twelve Months Ended		Percentage Change
	Nov 30, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 1999	Aug 31, 2000	Nov 30, 2000	Nov 30, 1999	
<b>CREDIT SERVICES</b>								
<b>Owned consumer loans</b>								
Period end	\$ 21,870	\$ 20,998	\$ 19,817	4%	10%	\$ 21,870	\$ 20,998	4%
Average	\$ 20,901	\$ 18,341	\$ 20,091	14%	4%	\$ 21,910	\$ 16,177	35%
<b>Managed consumer loans (1)</b>								
Period end	\$ 47,126	\$ 37,975	\$ 44,841	24%	5%	\$ 47,126	\$ 37,975	24%
Average	\$ 45,828	\$ 35,608	\$ 44,345	29%	3%	\$ 43,540	\$ 33,534	30%
Interest yield	14.13%	14.15%	14.05%	(2 bp)	8 bp	13.82%	14.23%	(41 bp)
Interest spread	7.39%	8.22%	7.35%	(83 bp)	4 bp	7.28%	8.49%	(121 bp)
Net charge-off rate	4.57%	4.63%	4.18%	(6 bp)	39 bp	4.40%	5.42%	(102 bp)
Delinquency rate (over 30 days)	5.92%	6.32%	5.47%	(40 bp)	45 bp	5.92%	6.32%	(40 bp)
<b>Credit Card</b>								
Transaction volume (billions)	\$ 22.8	\$ 20.5	\$ 21.9	11%	4%	\$ 90.1	\$ 70.6	28%
Accounts (millions)	42.6	38.5	41.4	11%	3%	42.6	38.5	11%
Active accounts (millions)	23.8	22.1	23.1	8%	3%	23.8	22.1	8%
Average receivables per average active account (actual \$)	\$ 1,960	\$ 1,654	\$ 1,924	19%	2%	\$ 1,893	\$ 1,581	20%
Discover Business Services' increase in merchant locations (thousands)	263	233	134	13%	96%	670	615	9%

(1) Includes owned and securitized consumer loans.