

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

	Quarter Ended			Percentage Change From:	
	Feb 28, 1999	Feb 28, 1998	Nov 30, 1998	Feb 28, 1998	Nov 30, 1998
Fees:					
Merchant and cardmember	\$ 472	\$ 533	\$ 522	(11%)	(10%)
Servicing	0	0	0	--	--
Principal transactions:					
Investments	36	0	0	*	*
Commissions	13	8	10	63%	30%
Asset management, distribution and administration	2	0	1	*	100%
Other	2	2	3	--	(33%)
Total non-interest revenues	525	543	536	(3%)	(2%)
Interest revenue	1,186	1,362	1,289	(13%)	(8%)
Interest expense	453	527	475	(14%)	(5%)
Net interest income	733	835	814	(12%)	(10%)
Provision for consumer loan losses	451	684	522	(34%)	(14%)
Net credit income	282	151	292	87%	(3%)
Net revenues	807	694	828	16%	(3%)
Compensation and benefits	125	142	131	(12%)	(5%)
Occupancy and equipment	13	18	17	(28%)	(24%)
Brokerage, clearing and exchange fees	2	3	2	(33%)	--
Information processing and communications	119	120	120	(1%)	(1%)
Marketing and business development	266	183	340	45%	(22%)
Professional services	22	23	25	(4%)	(12%)
Other	46	45	58	2%	(21%)
Total non-interest expenses	593	534	693	11%	(14%)
Gain on sales of businesses	0	0	362	--	*
Income before income taxes	214	160	497	34%	(57%)
Income tax expense	79	61	250	30%	(68%)
Net income	<u>\$ 135</u>	<u>\$ 99</u>	<u>\$ 247</u>	36%	(45%)
Compensation and benefits as a % of net revenues	15%	20%	16%		
Non-compensation expenses as a % of net revenues	58%	56%	68%		
Profit margin (1)	17%	14%	30%		

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