

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 1999	May 31, 1998	Feb 28, 1999	May 31, 1998	Feb 28, 1999	May 31, 1999	May 31, 1998	Change
Fees:								
Merchant and cardmember	\$ 357	\$ 404	\$ 341	(12%)	5%	\$ 698	\$ 832	(16%)
Servicing	310	232	253	34%	23%	563	403	40%
Other	<u>0</u>	<u>2</u>	<u>0</u>					
			556	(22%)	(6%)	1,078	1,452	(26%)
Interest expense	<u>198</u>	<u>251</u>	<u>221</u>	(21%)	(10%)	<u>419</u>	<u>544</u>	(23%)
Net interest income	324	420	335	(23%)	(3%)	659	908	(27%)
Provision for consumer loan losses	<u>119</u>	<u>275</u>	<u>177</u>	(57%)	(33%)	<u>296</u>	<u>680</u>	(56%)
Net credit income	205	145	158	41%	30%	363	228	59%
Net revenues	<u>872</u>	<u>783</u>	<u>752</u>	11%	16%	<u>1,624</u>	<u>1,466</u>	11%
Compensation and benefits	123	144	119	(15%)	3%	242	282	(14%)
Occupancy and equipment	12	16	12	(25%)	--	24	33	(27%)
Information processing and communications	109	111	117	(2%)	(7%)	226	228	(1%)
Marketing and business development	214	160	246	34%	(13%)	460	338	36%
Professional services	31	24	21	29%	48%	52	47	11%
Other	<u>52</u>	<u>58</u>	<u>42</u>	(10%)	24%	<u>94</u>	<u>100</u>	(6%)
Total non-interest expenses	541	513	557	5%	(3%)	1,098	1,028	7%
Income before income taxes	<u>331</u>	<u>270</u>	<u>195</u>	23%	70%	<u>526</u>	<u>438</u>	20%
Income tax expense	<u>120</u>	<u>99</u>	<u>71</u>	21%	69%	<u>191</u>	<u>163</u>	17%
Net income	<u>\$ 211</u>	<u>\$ 171</u>	<u>\$ 124</u>	23%	70%	<u>\$ 335</u>	<u>\$ 275</u>	22%
Compensation and benefits as a % of net revenues	14%	18%	16%			15%	19%	
Non-compensation expenses as a % of net revenues	48%	47%	58%			53%	51%	
Profit margin (1)	24%	22%	16%			21%	19%	

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