

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

	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	\$ 494	\$ 519	\$ 473	(5%)	4%	\$ 967	\$ 1,052	(8%)
Servicing	0	0	0	--	--	0	0	--
Other	0	2	0	*	--	0	3	*
Total non-interest revenues	494	521	473	(5%)	4%	967	1,055	(8%)
Interest revenue	1,221	1,319	1,181	(7%)	3%	2,402	2,679	(10%)
Interest expense	449	502	451	(11%)	--	900	1,029	(13%)
Net interest income	772	817	730	(6%)	6%	1,502	1,650	(9%)
Provision for consumer loan losses	394	555	451	(29%)	(13%)	845	1,239	(32%)
Net credit income	378	262	279	44%	35%	657	411	60%
Net revenues	872	783	752	11%	16%	1,624	1,466	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	52	58	42	(10%)	24%	94	100	(6%)
Total non-interest expenses	541	513	557	5%	(3%)	1,098	1,028	7%
Income before income taxes	331	270	195	23%	70%	526	438	20%
Income tax expense	120	99	71	21%	69%	191	163	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.