

SELECTED FINANCIAL DATA

FISCAL YEAR ⁽¹⁾ (DOLLARS IN MILLIONS, EXCEPT SHARE DATA)	1997	1996	1995	1994	1993
INCOME STATEMENT DATA:					
Revenues					
Investment banking	\$ 2,694	\$ 2,190	\$ 1,556	\$ 1,102	\$ 1,642
Principal transactions:					
Trading	3,191	2,659	1,685	1,614	1,778
Investments	463	86	121	154	157
Commissions	2,086	1,776	1,533	1,323	1,284
Fees:					
Asset management, distribution and administration	2,505	1,732	1,377	1,317	1,074
Merchant and cardmember	1,704	1,505	1,135	940	771
Servicing	762	809	680	565	506
Interest and dividends	13,583	11,288	10,530	8,715	7,336
Other	144	126	115	127	104
Total revenues	27,132	22,171	18,732	15,857	14,652
Interest expense	10,806	8,934	8,190	6,697	5,620
Provision for consumer loan losses	1,493	1,214	722	530	433
Net revenues	14,833	12,023	9,820	8,630	8,599
Non-interest expenses					
Compensation and benefits	6,019	5,071	4,005	3,535	3,687
Other	4,466	3,835	3,464	3,133	2,737
Merger-related expenses	74	—	—	—	—
Relocation charge	—	—	59	—	—
Total non-interest expenses	10,559	8,906	7,528	6,668	6,424
Income before income taxes	4,274	3,117	2,292	1,962	2,175
Provision for income taxes	1,688	1,137	827	705	803
Net income	\$ 2,586	\$ 1,980	\$ 1,465	\$ 1,257	\$ 1,372
Earnings applicable to common shares ⁽²⁾	\$ 2,520	\$ 1,914	\$ 1,400	\$ 1,192	\$ 1,317
PER SHARE DATA:⁽³⁾					
Earnings per common share					
Primary	\$ 4.25	\$ 3.22	\$ 2.30	\$ 1.96	\$ 2.24
Fully diluted	4.15	3.14	2.25	1.93	2.20
Book value per common share	22.11	18.43	15.63	13.38	11.43
Dividends per common share	0.56	0.44	0.32	0.25	0.15
BALANCE SHEET AND OTHER OPERATING DATA:					
Total assets	\$302,287	\$238,860	\$181,961	\$159,477	\$161,519
Consumer loans	20,033	21,262	19,733	14,731	11,091
Total capital ⁽⁴⁾	33,577	31,152	24,644	20,933	15,112
Long-term borrowings ⁽⁴⁾	19,621	19,450	14,636	12,352	7,702
Shareholders' equity	13,956	11,702	10,008	8,581	7,410
Return on average common shareholders' equity	22.0%	20.0%	16.4%	15.8%	21.7%
Average common and equivalent shares ⁽²⁾⁽³⁾	594,182,885	594,478,535	608,246,433	606,721,462	586,639,815

⁽¹⁾ Fiscal 1993 through fiscal 1996 represents the combination of Morgan Stanley's financial statements for the fiscal years ended November 30 with Dean Witter Discover's financial statements for the years ended December 31.

⁽²⁾ Amounts shown are used to calculate primary earnings per common share.

⁽³⁾ Per share data have been restated to reflect the Company's two-for-one stock split.

⁽⁴⁾ Excludes the current portion of long-term borrowings and includes Capital Units.