

## SELECTED FINANCIAL DATA

fiscal year <sup>(1)</sup> (dollars in millions, except share data)	1998	1997	1996	1995	1994
<b>INCOME STATEMENT DATA:</b>					
Revenues:					
Investment banking	\$ 3,340	\$ 2,694	\$ 2,190	\$ 1,556	\$ 1,102
Principal transactions:					
Trading	3,291	3,191	2,659	1,685	1,614
Investments	89	463	86	121	154
Commissions	2,353	2,086	1,776	1,533	1,323
Fees:					
Asset management, distribution and administration	2,849	2,505	1,732	1,377	1,317
Merchant and cardmember	1,647	1,704	1,505	1,135	940
Servicing	928	762	809	680	565
Interest and dividends	16,436	13,583	11,288	10,530	8,715
Other	198	144	126	115	127
Total revenues	31,131	27,132	22,171	18,732	15,857
Interest expense	13,514	10,806	8,934	8,190	6,697
Provision for consumer loan losses	1,173	1,493	1,214	722	530
Net revenues	16,444	14,833	12,023	9,820	8,630
Non-interest expenses:					
Compensation and benefits	6,636	6,019	5,071	4,005	3,535
Other	5,108	4,466	3,835	3,464	3,133
Merger-related expenses	—	74	—	—	—
Relocation charge	—	—	—	59	—
Total non-interest expenses	11,744	10,559	8,906	7,528	6,668
Gain on sale of businesses	685	—	—	—	—
Income before income taxes and cumulative effect of accounting change	5,385	4,274	3,117	2,292	1,962
Provision for income taxes	1,992	1,688	1,137	827	705
Income before cumulative effect of accounting change	3,393	2,586	1,980	1,465	1,257
Cumulative effect of accounting change	(117)	—	—	—	—
Net income	\$ 3,276	\$ 2,586	\$ 1,980	\$ 1,465	\$ 1,257
Earnings applicable to common shares <sup>(2)</sup>	\$ 3,221	\$ 2,520	\$ 1,914	\$ 1,400	\$ 1,192
<b>PER SHARE DATA:</b>					
Earnings per common share <sup>(3)</sup> :					
Basic before cumulative effect of accounting change	\$ 5.80	\$ 4.38	\$ 3.34	\$ 2.37	\$ 2.01
Cumulative effect of accounting change	(0.20)	—	—	—	—
Basic	5.60	4.38	3.34	2.37	2.01
Diluted before cumulative effect of accounting change	5.52	4.16	3.16	2.26	1.93
Cumulative effect of accounting change	(0.19)	—	—	—	—
Diluted	5.33	4.16	3.16	2.26	1.93
Book value per common share	23.88	22.11	18.43	15.63	13.38
Dividends per common share	0.80	0.56	0.44	0.32	0.25
<b>BALANCE SHEET AND OTHER OPERATING DATA:</b>					
Total assets	\$ 317,590	\$ 302,287	\$ 238,860	\$ 181,961	\$ 159,477
Consumer loans, net	15,209	20,033	21,262	19,733	14,731
Total capital <sup>(4)</sup>	37,922	33,577	31,152	24,644	20,933
Long-term borrowings <sup>(4)</sup>	23,803	19,621	19,450	14,636	12,352
Shareholders' equity	14,119	13,956	11,702	10,008	8,581
Return on average common shareholders' equity	24.5%	22.0%	20.0%	16.4%	15.8%
Average common and equivalent shares <sup>(2)</sup> <sup>(3)</sup>	575,822,725	574,818,233	573,356,930	590,144,217	594,212,948

(1) Fiscal 1994 through fiscal 1996 represents the combination of Morgan Stanley Group Inc.'s financial statements for the fiscal years ended November 30 with Dean Witter, Discover & Co.'s financial statements for the years ended December 31.

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

(3) Earnings per share data for fiscal 1994 through fiscal 1997 have been restated to reflect the Company's adoption of SFAS No. 128.

(4) These amounts exclude the current portion of long-term borrowings and include Capital Units and Preferred Securities Issued by Subsidiaries.