



MORGAN STANLEY
Quarterly Credit Services Income Statement Information
 (unaudited, dollars in millions)

	QUARTER ENDED					Percentage Change From:	
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003		
Fees:							
Merchant and cardmember	\$ 342	\$ 347	\$ 359	\$ 372	\$ 363	6%	(2%)
Servicing	540	506	510	523	567	5%	8%
Other	2	17	12	0	(3)	*	*
Total non-interest revenues	<u>884</u>	<u>870</u>	<u>881</u>	<u>895</u>	<u>927</u>	5%	4%
Interest revenue	553	602	646	612	546	(1%)	(11%)
Interest expense	269	258	262	261	239	(11%)	(8%)
Net interest income	<u>284</u>	<u>344</u>	<u>384</u>	<u>351</u>	<u>307</u>	8%	(13%)
Provision for consumer loan losses	345	340	332	319	336	(3%)	5%
Net credit income	(61)	4	52	32	(29)	52%	(191%)
Net revenues	<u>823</u>	<u>874</u>	<u>933</u>	<u>927</u>	<u>898</u>	9%	(3%)
Total non-interest expenses	568	562	614	624	608	7%	(3%)
Income before taxes	255	312	319	303	290	14%	(4%)
Income tax expense	88	116	109	109	108	23%	(1%)
Net income	<u>\$ 167</u>	<u>\$ 196</u>	<u>\$ 210</u>	<u>\$ 194</u>	<u>\$ 182</u>	9%	(6%)
Profit margin (1)	20%	22%	23%	21%	20%		

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

Notes: Certain reclassifications have been made to prior period amounts to conform to the current presentation.

Refer to Legal Notice page 15.