



MORGAN STANLEY  
Quarterly Institutional Securities 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	1Q03 vs. 1Q02	1Q03 vs. 4Q02
Investment banking	\$ 603	\$ 588	\$ 401	\$ 599	\$ 503	(17%)	(16%)
Principal transactions:							
Trading	957	568	340	298	1,425	49%	*
Investments	30	(17)	13	15	(11)	(137%)	(173%)
Commissions	492	560	556	465	415	(16%)	(11%)
Asset management, distribution and admin. fees	25	23	30	28	22	(12%)	(21%)
Interest and dividends	3,179	3,172	3,633	3,098	3,166	--	2%
Other	143	92	75	91	61	(57%)	(33%)
Total revenues	5,429	4,986	5,048	4,594	5,581	3%	21%
Interest expense	2,629	2,551	2,896	2,713	2,420	(8%)	(11%)
Net revenues	2,800	2,435	2,152	1,881	3,161	13%	68%
Total non-interest expenses	1,953	1,752	1,720	1,139	2,194	12%	93%
Income before taxes and dividends on preferred securities subject to mandatory redemption	847	683	432	742	967	14%	30%
Income tax expense	295	213	139	267	327	11%	22%
Div. on pref. sec. subject to mandatory redemption	22	22	21	22	22	--	--
Net income	\$ 530	\$ 448	\$ 272	\$ 453	\$ 618	17%	36%
Profit margin (1)	19%	18%	13%	24%	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.