



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

	QUARTER ENDED						Percentage Change From:		Six Months Ended		Percentage Change
	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	Feb 28, 2003	May 31, 2003	2Q03 vs. 2Q02	2Q03 vs. 1Q03	May 31, 2002	May 31, 2003	
Fees:											
Merchant and cardmember	\$ 342	\$ 347	\$ 359	\$ 372	\$ 363	\$ 339	(2%)	(7%)	\$ 689	\$ 702	2%
Servicing	540	506	510	523	567	503	(1%)	(11%)	1,046	1,070	2%
Other	2	17	12	0	(3)	5	(71%)	*	19	2	(89%)
Total non-interest revenues	884	870	881	895	927	847	(3%)	(9%)	1,754	1,774	1%
Interest revenue	553	602	646	612	546	543	(10%)	(1%)	1,155	1,089	(6%)
Interest expense	269	258	262	261	239	197	(24%)	(18%)	527	436	(17%)
Net interest income	284	344	384	351	307	346	1%	13%	628	653	4%
Provision for consumer loan losses	345	340	332	319	336	309	(9%)	(8%)	685	645	(6%)
Net credit income	(61)	4	52	32	(29)	37	*	*	(57)	8	114%
Net revenues	823	874	933	927	898	884	1%	(2%)	1,697	1,782	5%
Total non-interest expenses	568	562	614	624	608	576	2%	(5%)	1,130	1,184	5%
Income before taxes	255	312	319	303	290	308	(1%)	6%	567	598	5%
Income tax expense	88	116	109	109	108	114	(2%)	6%	204	222	9%
Net income	\$ 167	\$ 196	\$ 210	\$ 194	\$ 182	\$ 194	(1%)	7%	\$ 363	\$ 376	4%
Profit margin (1)	20%	22%	23%	21%	20%	22%			21%	21%	

(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 20.