



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

	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	\$ 527	\$ 516	\$ 525	\$ 542	\$ 547	\$ 524	2%	(4%)	\$ 1,043	\$ 1,071	3%
Servicing	0	0	0	0	0	0	--	--	0	0	--
Other	16	36	25	3	54	35	(3%)	(35%)	52	89	71%
Total non-interest revenues	543	552	550	545	601	559	1%	(7%)	1,095	1,160	6%
Interest revenue	1,611	1,614	1,643	1,606	1,580	1,592	(1%)	1%	3,225	3,172	(2%)
Interest expense	499	480	483	475	441	410	(15%)	(7%)	979	851	(13%)
Net interest income	1,112	1,134	1,160	1,131	1,139	1,182	4%	4%	2,246	2,321	3%
Provision for consumer loan losses	832	812	777	749	842	857	6%	2%	1,644	1,699	3%
Net credit income	280	322	383	382	297	325	1%	9%	602	622	3%
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.