



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Credit Services Income Statement Information
(unaudited, dollars in millions)
(Managed Loan Basis)

	QUARTER ENDED						Percentage Change From		Nine Months Ended		Percentage	
	Feb 28, 2000	May 31, 2000	Aug 31, 2000	Nov 30, 2000	Feb 28, 2001	May 31, 2001	Aug 31, 2001	3Q01 vs. 3Q00	3Q01 vs. 2Q01	Aug 31, 2000	Aug 31, 2001	Change
Fees:												
Merchant and cardmember	\$ 591	\$ 597	\$ 653	\$ 604	\$ 629	\$ 635	\$ 674	3%	6%	\$ 1,841	\$ 1,938	5%
Other	0	0	0	0	0	0	3	*	*	0	3	*
Total non-interest revenues	591	597	653	604	629	635	677	4%	7%	1,841	1,941	5%
Interest revenue	1,451	1,570	1,631	1,675	1,747	1,745	1,741	7%	--	4,652	5,233	12%
Interest expense	653	695	738	754	798	730	657	(11%)	(10%)	2,086	2,185	5%
Net interest income	798	875	893	921	949	1,015	1,084	21%	7%	2,566	3,048	19%
Provision for consumer loan losses	490	472	470	525	585	625	733	56%	17%	1,432	1,943	36%
Net credit income	308	403	423	396	364	390	351	(17%)	(10%)	1,134	1,105	(3%)
Net revenues	899	1,000	1,076	1,000	993	1,025	1,028	(4%)	--	2,975	3,046	2%
Compensation and benefits	162	142	172	182	189	187	182	6%	(3%)	476	558	17%
Occupancy and equipment	15	16	17	18	19	18	19	12%	6%	48	56	17%
Information processing and communications	101	106	113	118	116	122	118	4%	(3%)	320	356	11%
Marketing and business development	280	282	295	342	315	286	261	(12%)	(9%)	857	862	1%
Professional services	40	42	47	53	49	48	45	(4%)	(6%)	129	142	10%
Other	72	69	77	70	74	85	85	10%	--	218	244	12%
Total non-interest expenses	670	657	721	783	762	746	710	(2%)	(5%)	2,048	2,218	8%
Income before income taxes and cumulative effect of accounting change	229	343	355	217	231	279	318	(10%)	14%	927	828	(11%)
Income tax expense	89	132	128	70	89	108	122	(5%)	13%	349	319	(9%)
Income before cumulative effect of accounting change	140	211	227	147	142	171	196	(14%)	15%	578	509	(12%)
Cumulative effect of accounting change (1)	0	0	0	0	(13)	0	0	--	--	0	(13)	*
Net income	<u>\$ 140</u>	<u>\$ 211</u>	<u>\$ 227</u>	<u>\$ 147</u>	<u>\$ 129</u>	<u>\$ 171</u>	<u>\$ 196</u>	(14%)	15%	<u>\$ 578</u>	<u>\$ 496</u>	(14%)
Compensation and benefits as a % of net revenues	18%	14%	16%	18%	19%	18%	18%			16%	18%	
Non-compensation expenses as a % of net revenues	57%	52%	51%	60%	58%	55%	51%			53%	54%	
Profit margin (2)	16%	21%	21%	15%	14%	17%	19%			19%	17%	

(1) Represents the effects of an accounting change adopted in the first quarter of fiscal 2001 with respect to the accounting for derivative instruments and hedging activities associated with SFAS 133.

(2) Net income excluding cumulative effect of accounting change as a % of net revenues.

Refer to Legal Notice page 11.