



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

	QUARTER ENDED								Percentage Change From:		Twelve Months Ended		Percentage Change
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	May 31, 2002	Aug 31, 2002	Nov 30, 2002	4Q02 vs. 4Q01	4Q02 vs. 3Q02	Nov 30, 2001	Nov 30, 2002	
Fees:													
Merchant and cardmember	\$ 312	\$ 325	\$ 364	\$ 348	\$ 342	\$ 347	\$ 359	\$ 372	7%	4%	\$ 1,349	\$ 1,420	5%
Servicing	427	476	434	567	541	511	514	525	(7%)	2%	1,904	2,091	10%
Other	1	0	1	(1)	1	12	8	(2)	(100%)	(125%)	1	19	*
Total non-interest revenues	740	801	799	914	884	870	881	895	(2%)	2%	3,254	3,530	8%
Interest revenue	672	654	674	593	553	602	646	612	3%	(5%)	2,593	2,413	(7%)
Interest expense	339	322	303	272	269	258	262	261	(4%)	--	1,236	1,050	(15%)
Net interest income	333	332	371	321	284	344	384	351	9%	(9%)	1,357	1,363	--
Provision for consumer loan losses	213	231	277	331	345	340	332	319	(4%)	(4%)	1,052	1,336	27%
Net credit income	120	101	94	(10)	(61)	4	52	32	*	(38%)	305	27	(91%)
Net revenues	860	902	893	904	823	874	933	927	3%	(1%)	3,559	3,557	--
Total non-interest expenses	629	623	575	605	568	562	614	624	3%	2%	2,432	2,368	(3%)
Income before taxes and cumulative effect of accounting change	231	279	318	299	255	312	319	303	1%	(5%)	1,127	1,189	6%
Income tax expense	89	108	122	106	88	116	109	109	3%	--	425	422	(1%)
Income before cumulative effect of accounting change	142	171	196	193	167	196	210	194	1%	(8%)	702	767	9%
Cumulative effect of accounting change (1)	(13)	0	0	0	0	0	0	0	--	--	(13)	0	*
Net income	\$ 129	\$ 171	\$ 196	\$ 193	\$ 167	\$ 196	\$ 210	\$ 194	1%	(8%)	\$ 689	\$ 767	11%
Profit margin (2)	17%	19%	22%	21%	20%	22%	23%	21%			20%	22%	

(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.

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

Refer to Legal Notice page 15.