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For Immediate Release



Morgan Stanley Reports First Quarter Net Income of \$848 Million; Return on Equity of 16%

NEW YORK, March 26, 2002 -- Morgan Stanley (NYSE: MWD) today reported net income of \$848 million for the quarter ended February 28, 2002 -- 3 percent lower than the fourth quarter of 2001 and a 21 percent decline from the first quarter of 2001.¹ Diluted earnings per share were \$0.76 -- compared to \$0.78 the previous quarter and \$0.94 a year ago.

First quarter net revenues (total revenues less interest expense and the provision for loan losses) were \$5.3 billion -- 13 percent ahead of fourth quarter 2001 and 16 percent below first quarter 2001. Non-compensation expenses declined 17 percent from the previous quarter and were 19 percent lower than a year ago.² The annualized return on average common equity for the current quarter was 16 percent.

Philip J. Purcell, Chairman and CEO, and Robert G. Scott, President, said in a joint statement, "Business continued to be slow, particularly in investment banking and retail securities. But all things considered, we are very pleased with our results. Our people have done an excellent job in controlling costs and managing risks, and our 16 percent return on equity is an outstanding achievement in this environment. We are well positioned for earnings growth in a stronger global economy."

¹ All amounts for the quarter ended February 28, 2001 exclude a net after-tax charge of \$59 million, or \$.05 per share, resulting from the adoption of SFAS 133 on December 1, 2000. See page F-1 of Financial Summary, Note 1.

² Fourth quarter 2001 non-compensation expenses exclude certain costs associated with the Company's aircraft financing business.

SECURITIES

Securities posted net income of \$539 million, 31 percent lower than last year's first quarter. The decline reflected lower net revenues across most of the Company's securities businesses. Fixed income sales and trading was an exception, with higher net revenues than last year's very strong first quarter. The effect of the overall decline in net revenues was partially offset by a 22 percent decrease in non-compensation expenses.

- In institutional sales and trading:
 - Fixed income sales and trading net revenues were \$1.1 billion, a 6 percent increase from first quarter 2001. Revenues from interest rate derivatives trading increased strongly from a year ago while revenues from commodities and government debt trading were lower.
 - Equity sales and trading net revenues of \$931 million were down 38 percent from a year ago, primarily due to reduced trading activity, lower levels of market volatility and a decline in primary issuance.
- In investment banking:
 - Advisory revenues were \$292 million, down 35 percent from a year ago. The decline resulted primarily from the severe slowdown in global M&A activity. Industry-wide, global completed M&A transaction volume fell 72 percent in the first quarter compared to a year ago.³
 - Total underwriting revenues declined 25 percent from last year's first quarter to \$383 million, due to lower debt underwriting revenues. Revenues from equity issuance were up modestly from a year ago.
- In the individual investor group:
 - Net revenues decreased 16 percent to \$1.0 billion, primarily as a result of a decline in individual investor participation in equity markets from last year's first quarter levels, and a decrease in margin debit balances.
 - Total client assets of \$588 billion were 8 percent lower than the end of last year's first quarter, compared to an 11 percent decline in the S&P 500 and a

³ Source: Thomson Financial Securities Data – December 1, 2001 to February 28, 2002.

20 percent decline in the NASDAQ. Client assets in fee-based accounts remained at \$111 billion.

- The number of global financial advisors stood at 14,115 at quarter-end -- an increase of 425 for the quarter but a decline of 51 over the past twelve months.
- Principal investment revenues of \$32 million for the first quarter compared with negative revenues of \$47 million a year ago.

INVESTMENT MANAGEMENT

Investment management net income was \$142 million, 7 percent below last year's first quarter. The earnings decline resulted from a decline in average assets under management and a shift in asset mix from equity to more fixed income and money market products. A 14 percent decline in non-compensation expenses had a positive impact on net income.

- Assets under management declined \$40 billion, or 8 percent, from a year ago to \$452 billion, as a result of a decline in market values and net fund outflows. Retail assets were \$273 billion, \$7 billion lower than fourth quarter 2001 and \$36 billion lower than last year's first quarter. Institutional assets of \$179 billion were unchanged for the quarter and down \$4 billion from a year ago.
- The Company had 57 funds rated four or five stars by Morningstar, up from 56 at the end of 2001 fiscal year-end. Among investment managers, the Company has the third highest number of domestic funds receiving one of Morningstar's two highest ratings.⁴
- The percent of the Company's fund assets performing in the top half of the Lipper rankings was 65 percent over one year, 64 percent over three years and 74 percent over five years.⁵

⁴ As of February 28, 2002.

⁵ For the twelve, thirty-six and sixty month periods ending February 28, 2002.

CREDIT SERVICES

Credit services net income was \$167 million, 18 percent ahead of first quarter 2001. The increase was driven by higher net interest and cardmember fee revenues, and lower marketing expenses. Net charge-offs, however, were higher than a year ago.

- Managed credit card loans of \$49.6 billion at quarter end were relatively unchanged from a year ago. The interest rate spread widened 152 basis points over the same period, as a result of a decline in credit services' cost of funds.
- Merchant and cardmember fees rose 9 percent to \$541 million, reflecting higher late fees and an increase in the merchant discount rate. Transaction volume declined 1 percent from last year's record first quarter to \$24.1 billion.
- The credit card net charge-off rate increased to 6.49 percent -- 170 basis points higher than a year ago. The over-90-day delinquency rate was 3.12 percent compared to 2.74 percent a year ago. The increase in the charge-off rate reflected continued weakness in the U.S. economy, the adverse impact of the seasoning of cardmember accounts and a higher number of bankruptcy filings by U.S. consumers.

As of February 28, 2002, the Company had repurchased approximately 4 million shares of its common stock since the end of fiscal 2001. The Company also announced that its Board of Directors declared a \$0.23 quarterly dividend per common share. The dividend is payable on April 26, 2002 to common shareholders of record on April 5, 2002.

Total capital at February 28, 2002 was \$61.0 billion, including \$22.1 billion of common shareholders' equity and preferred securities issued by subsidiaries. Book value per common share was \$18.97, based on 1.1 billion shares outstanding.

Morgan Stanley is a global financial services firm and a market leader in securities, investment management and credit services. With more than 700 offices in 28 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations.

Access this press release on-line @www.morganstanley.com

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(See Attached Schedules)

This release may contain forward-looking statements. These statements reflect management's beliefs and expectations, and are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of the risks and uncertainties that may affect the Company's future results, please see "Certain Factors Affecting Results of Operations" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Competition and Regulation" under each of "Securities," "Investment Management" and "Credit Services" in Part I, Item 1 in the Company's 2001 Annual Report on Form 10-K.



MORGAN STANLEY DEAN WITTER & CO.
Financial Supplement - 1Q02
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	QUARTER ENDED					Feb 28, 2001	\$ 4,748	\$ 4,427	\$ 3,656	\$ 3,146	\$ 3,831	Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002							1Q02 vs. 1Q01	1Q02 vs. 4Q01
Net revenues													
Securities	\$ 4,748	\$ 4,427	\$ 3,656	\$ 3,146	\$ 3,831							(19%)	22%
Investment Management	688	643	640	596	605							(12%)	2%
Credit Services	860	902	893	904	823							(4%)	(9%)
Consolidated net revenues	<u>\$ 6,296</u>	<u>\$ 5,972</u>	<u>\$ 5,189</u>	<u>\$ 4,646</u>	<u>\$ 5,259</u>							(16%)	13%
Net income													
Securities	\$ 780	\$ 632	\$ 411	\$ 529	\$ 539							(31%)	2%
Investment Management	153	127	128	148	142							(7%)	(4%)
Credit Services	142	171	196	193	167							18%	(13%)
Income before extraordinary item and cumulative effect of accounting change	1,075	930	735	870	848							(21%)	(3%)
Extraordinary item (1)	0	0	(30)	0	0							--	--
Cumulative effect of accounting change (2)	(59)	0	0	0	0							*	--
Consolidated net income	<u>\$ 1,016</u>	<u>\$ 930</u>	<u>\$ 705</u>	<u>\$ 870</u>	<u>\$ 848</u>							(17%)	(3%)
Preferred stock dividend requirements	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ 5</u>	<u>\$ 0</u>							*	*
Earnings applicable to common shares	<u><u>\$ 1,007</u></u>	<u><u>\$ 921</u></u>	<u><u>\$ 696</u></u>	<u><u>\$ 865</u></u>	<u><u>\$ 848</u></u>							(16%)	(2%)
Basic earnings per common share													
Income before extraordinary item and cumulative effect of accounting change	\$ 0.98	\$ 0.85	\$ 0.67	\$ 0.80	\$ 0.78							(20%)	(3%)
Extraordinary Item	\$ -	\$ -	\$ (0.03)	\$ -	\$ -							--	--
Cumulative effect of accounting change	\$ (0.05)	\$ -	\$ -	\$ -	\$ -							*	--
Net Income	\$ 0.93	\$ 0.85	\$ 0.64	\$ 0.80	\$ 0.78							(16%)	(3%)
Diluted earnings per common share													
Income before extraordinary item and cumulative effect of accounting change	\$ 0.94	\$ 0.82	\$ 0.65	\$ 0.78	\$ 0.76							(19%)	(3%)
Extraordinary Item	\$ -	\$ -	\$ (0.03)	\$ -	\$ -							--	--
Cumulative effect of accounting change	\$ (0.05)	\$ -	\$ -	\$ -	\$ -							*	--
Net Income	\$ 0.89	\$ 0.82	\$ 0.62	\$ 0.78	\$ 0.76							(15%)	(3%)
Average common shares outstanding													
Basic	1,089,270,364	1,085,305,558	1,085,447,127	1,078,517,918	1,082,380,245								
Diluted	1,134,150,225	1,120,687,197	1,119,301,107	1,108,980,235	1,112,959,092								
Period end common shares outstanding	1,114,434,549	1,110,061,470	1,106,317,423	1,093,006,744	1,101,194,353								
Return on common equity (3)	22.5%	19.1%	14.9%	17.6%	16.4%								

(1) Represents extraordinary loss on the early extinguishment of debt.

(2) 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.

(3) Excludes the cumulative effect of accounting change and extraordinary item.

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

Refer to Legal Notice page 11.

MORGAN STANLEY DEAN WITTER & CO.
Quarterly Consolidated Income Statement Information
 (unaudited, dollars in millions)

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	QUARTER ENDED					Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	1Q02 vs. 1Q01	1Q02 vs. 4Q01
Investment banking	\$ 981	\$ 840	\$ 789	\$ 805	\$ 684	(30%)	(15%)
Principal transactions:							
Trading	1,685	2,070	1,097	649	1,122	(33%)	73%
Investments	(46)	(107)	(59)	(104)	33	172%	132%
Commissions	851	838	720	753	777	(9%)	3%
Fees:							
Asset management, distribution and admin	1,109	1,078	1,057	982	1,016	(8%)	3%
Merchant and cardmember	313	325	362	345	341	9%	(1%)
Servicing	427	476	434	567	541	27%	(5%)
Interest and dividends	7,236	6,950	5,825	4,116	3,832	(47%)	(7%)
Other	125	139	110	146	194	55%	33%
Total revenues	<u>12,681</u>	<u>12,609</u>	<u>10,335</u>	<u>8,259</u>	<u>8,540</u>	<u>(33%)</u>	<u>3%</u>
Interest expense	6,172	6,406	4,869	3,282	2,936	(52%)	(11%)
Provision for consumer loan losses	213	231	277	331	345	62%	4%
Net revenues	<u>6,296</u>	<u>5,972</u>	<u>5,189</u>	<u>4,646</u>	<u>5,259</u>	<u>(16%)</u>	<u>13%</u>
Compensation and benefits	2,839	2,732	2,374	1,420	2,488	(12%)	75%
Occupancy and equipment	218	230	226	217	200	(8%)	(8%)
Brokerage, clearing and exchange fees	167	181	179	183	179	7%	(2%)
Information processing and communications	352	368	361	369	320	(9%)	(13%)
Marketing and business development	366	331	274	287	251	(31%)	(13%)
Professional services	334	336	284	345	225	(33%)	(35%)
Other	320	322	319	435	249	(22%)	(43%)
Total non-interest expenses	<u>4,596</u>	<u>4,500</u>	<u>4,017</u>	<u>3,256</u>	<u>3,912</u>	<u>(15%)</u>	<u>20%</u>
Income before taxes, extraordinary item and cumulative effect of accounting change	1,700	1,472	1,172	1,390	1,347	(21%)	(3%)
Income tax expense	618	535	423	498	477	(23%)	(4%)
Dividends on Pref. Sec. Issued by Subs.	7	7	14	22	22	214%	--
Income before extraordinary item and cumulative effect of accounting change	1,075	930	735	870	848	(21%)	(3%)
Extraordinary Item (1)	0	0	(30)	0	0	--	--
Cumulative effect of accounting change (2)	(59)	0	0	0	0	*	--
Net income	<u>1,016</u>	<u>\$ 930</u>	<u>\$ 705</u>	<u>\$ 870</u>	<u>\$ 848</u>	<u>(17%)</u>	<u>(3%)</u>
Preferred stock dividend requirements	9	\$ 9	\$ 9	\$ 5	\$ 0	*	*
Earnings applicable to common shares	<u>1,007</u>	<u>\$ 921</u>	<u>\$ 696</u>	<u>\$ 865</u>	<u>\$ 848</u>	<u>(16%)</u>	<u>(2%)</u>
Compensation and benefits as a % of net revenues	45%	46%	46%	31%	47%		
Non-compensation expenses as a % of net revenues	28%	30%	32%	40%	27%		
Profit margin (3)	17%	16%	14%	19%	16%		

(1) Represents extraordinary loss on the early extinguishment of debt.

(2) 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.

(3) 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 11.



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Financial Information and Statistical Data
(unaudited)

	QUARTER ENDED					Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	1Q02 vs. 1Q01	1Q02 vs. 4Q01
Morgan Stanley							
Total assets (millions)	\$ 450,000	\$ 497,000	\$ 507,000	\$ 483,000	\$ 492,000	9%	2%
Period end common shares outstanding (millions)	1,114.4	1,110.1	1,106.3	1,093.0	1,101.2	(1%)	1%
Book value per common share	\$ 17.23	\$ 17.54	\$ 17.76	\$ 18.64	\$ 18.97	10%	2%
Shareholders' equity (millions) (1)	\$ 20,150	\$ 20,419	\$ 21,199	\$ 21,926	\$ 22,102	10%	1%
Total capital (millions) (2)	\$ 51,249	\$ 61,274	\$ 60,652	\$ 61,633	\$ 61,042	19%	(1%)
Worldwide employees	63,708	62,909	62,392	61,319	59,875	(6%)	(2%)

(1) Includes preferred and common equity and preferred securities issued by subsidiaries.

(2) Includes preferred and common equity, preferred securities issued by subsidiaries, capital units and non-current portion of long-term debt.

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

Refer to Legal Notice page 11.



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Securities Income Statement Information
(unaudited, dollars in millions)

	Feb 28, 2001	May 31, 2001	Aug 31, 2001	QUARTER ENDED	Nov 30, 2001	Feb 28, 2002	Percentage Change From	
							1Q02 vs. 1Q01	1Q02 vs. 4Q01
Investment banking	\$ 962	\$ 825	\$ 777	\$ 798	\$ 675		(30%)	(15%)
Principal transactions:								
Trading	1,685	2,070	1,097	649	1,122		(33%)	73%
Investments	(47)	(106)	(58)	(100)	32		168%	132%
Commissions	839	829	708	740	766		(9%)	4%
Asset management, distribution and admin fees	486	476	461	420	457		(6%)	9%
Interest and dividends	6,540	6,279	5,135	3,512	3,271		(50%)	(7%)
Other	114	135	100	134	174		53%	30%
Total revenues	10,579	10,508	8,220	6,153	6,497		(39%)	6%
Interest expense	5,831	6,081	4,564	3,007	2,666		(54%)	(11%)
Net revenues	4,748	4,427	3,656	3,146	3,831		(19%)	22%
Compensation and benefits	2,442	2,346	1,990	1,134	2,121		(13%)	87%
Occupancy and equipment	177	191	185	174	167		(6%)	(4%)
Brokerage, clearing and exchange fees	117	127	123	129	126		8%	(2%)
Information processing and communications	242	250	241	238	219		(10%)	(8%)
Marketing and business development	149	126	114	119	103		(31%)	(13%)
Professional services	223	225	186	231	126		(43%)	(45%)
Other	184	185	179	288	111		(40%)	(61%)
Total non-interest expenses	3,534	3,450	3,018	2,313	2,973		(16%)	29%
Income before taxes, extraordinary item and cumulative effect of accounting change	1,214	977	638	833	858		(29%)	3%
Income tax expense	427	338	213	282	297		(30%)	5%
Dividends on pref. sec. Issued by subs.	7	7	14	22	22		214%	—
Income before taxes, dividends on pref. sec. and cumulative effect of accounting change	780	632	411	529	539		(31%)	2%
Extraordinary item - loss on the early extinguishment of debt	0	0	(30)	0	0		—	—
Cumulative effect of accounting change (1)	(46)	0	0	0	0		*	—
Net income	\$ 734	\$ 632	\$ 381	\$ 529	\$ 539		(27%)	2%
Compensation and benefits as a % of net revenues	51%	53%	54%	36%	55%			
Non-compensation expenses as a % of net revenues	23%	25%	28%	37%	22%			
Profit margin (2)	16%	14%	11%	17%	14%			

(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 and extraordinary item 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 11.



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Financial Information and Statistical Data
Securities
(unaudited)

	QUARTER ENDED							Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002			1Q02 vs. 1Q01	1Q02 vs. 4Q01
SECURITIES									
Advisory revenue (millions)	\$ 449	\$ 291	\$ 360	\$ 322	\$ 292			(35%)	(9%)
Underwriting revenue (millions)	\$ 513	\$ 534	\$ 417	\$ 476	\$ 383			(25%)	(20%)
Institutional Securities									
Sales and trading net revenue (millions) (1)									
Equity	\$ 1,496	\$ 1,263	\$ 998	\$ 858	\$ 931			(38%)	9%
Fixed Income	\$ 1,037	\$ 1,233	\$ 832	\$ 542	\$ 1,104			6%	104%
Mergers and acquisitions announced transactions (2)									
Morgan Stanley global market volume (billions)	\$ 109.4	\$ 185.4	\$ 279.4	\$ 395.0	\$ 36.0				
Rank	1	2	4	3	5				
Worldwide equity and related issues (2)									
Morgan Stanley global market volume (billions)	\$ 7.9	\$ 25.8	\$ 32.9	\$ 40.2	\$ 6.1				
Rank	4	3	4	4	5				
Individual Investor Group									
Net revenue (millions)	\$ 1,199	\$ 1,145	\$ 1,058	\$ 989	\$ 1,006			(16%)	2%
Global financial advisors	14,166	14,256	14,342	13,690	14,115			--	3%
Total client assets (billions)	\$ 638	\$ 634	\$ 597	\$ 595	\$ 588			(8%)	(1%)
Fee-based client account assets (billions) (3)	\$ 111	\$ 117	\$ 109	\$ 110	\$ 111			--	1%

(1) Includes principal trading, commissions and net interest revenue.

(2) Source: Thomson Financial Securities Data - January 1 to March 22, 2002.

(3) Represents the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

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

Refer to Legal Notice page 11.



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Investment Management Income Statement Information
(unaudited, dollars in millions)

	QUARTER ENDED					Feb 28, 2002	1Q02 vs. 1Q01	1Q02 vs. 4Q01
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001				
	\$ 19	\$ 15	\$ 12	\$ 7	\$ 9	(53%)	29%	
Investment banking								
Principal transactions:								
Investments	1	(1)	(1)	(4)	1	--	125%	
Commissions	12	9	12	13	11	(8%)	(15%)	
Asset management, distribution and admin fees	623	602	596	562	559	(10%)	(1%)	
Interest and dividends	24	17	16	11	8	(67%)	(27%)	
Other	11	4	7	10	18	64%	80%	
Total revenues	690	646	642	599	606	(12%)	1%	
Interest expense	2	3	2	3	1	(50%)	(67%)	
Net revenues	688	643	640	596	605	(12%)	2%	
Compensation and benefits	209	197	201	114	179	(14%)	57%	
Occupancy and equipment	25	24	24	25	19	(24%)	(24%)	
Brokerage, clearing and exchange fees	50	54	56	54	53	6%	(2%)	
Information processing and communications	24	25	29	26	22	(8%)	(15%)	
Marketing and business development	35	42	34	26	29	(17%)	12%	
Professional services	55	59	48	57	50	(9%)	(12%)	
Other	35	26	32	36	19	(46%)	(47%)	
Total non-interest expenses	433	427	424	338	371	(14%)	10%	
Income before income taxes	255	216	216	258	234	(8%)	(9%)	
Income tax expense	102	89	88	110	92	(10%)	(16%)	
Net income	\$ 153	\$ 127	\$ 128	\$ 148	\$ 142	(7%)	(4%)	
Compensation and benefits as a % of net revenues	30%	31%	31%	19%	30%			
Non-compensation expenses as a % of net revenues	33%	36%	35%	38%	32%			
Profit margin (1)	22%	20%	20%	25%	23%			

(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 11.



MORGAN STANLEY DEAN WITTER & CO.
Quarterly Financial Information and Statistical Data
Investment Management
(\$ billions, unaudited)

Assets under management or supervision

Products offered primarily to individuals

Mutual funds

	QUARTER ENDED						Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002		1Q02 vs. 1Q01	1Q02 vs. 4Q01
Equity	\$ 96	\$ 94	\$ 85	\$ 83	\$ 81		(16%)	(2%)
Fixed income	46	41	41	36	36		(22%)	--
Money markets	63	63	65	66	64		2%	(3%)
Total mutual funds	205	198	191	185	181		(12%)	(2%)
ICS Assets	31	32	31	30	30		(3%)	--
Separate accounts, unit trust and other arrangements	73	73	70	65	62		(15%)	(5%)
Sub-total Individual	309	303	292	280	273		(12%)	(3%)
Products offered primarily to institutional clients								
Mutual funds	36	39	38	38	37		3%	(3%)
Separate accounts, pooled vehicle and other arrangements	147	145	141	141	142		(3%)	1%
Sub-total Institutional	183	184	179	179	179		(2%)	--
Total assets under management or supervision	\$ 492	\$ 487	\$ 471	\$ 459	\$ 452		(8%)	(2%)

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

Refer to Legal Notice page 11.



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

	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	Percentage Change From		
						QUARTER ENDED	1Q02 vs. 1Q01	1Q02 vs. 4Q01
Fees:								
Merchant and cardmember	\$ 313	\$ 325	\$ 362	\$ 345	\$ 341	9%	(1%)	
Servicing	427	476	434	567	541	27%	(5%)	
Other	0	0	3	2	2	*	--	
Total non-interest revenues	740	801	799	914	884	19%	(3%)	
Interest revenue	672	654	674	593	553	(18%)	(7%)	
Interest expense	339	322	303	272	269	(21%)	(1%)	
Net interest income	333	332	371	321	284	(15%)	(12%)	
Provision for consumer loan losses	213	231	277	331	345	62%	4%	
Net credit income	120	101	94	(10)	(61)	(151%)	*	
Net revenues	860	902	893	904	823	(4%)	(9%)	
Compensation and benefits	188	189	183	172	188	--	9%	
Occupancy and equipment	16	15	17	18	14	(13%)	(22%)	
Information processing and communications	86	93	91	105	79	(8%)	(25%)	
Marketing and business development	182	163	126	142	119	(35%)	(16%)	
Professional services	56	52	50	57	49	(13%)	(14%)	
Other	101	111	108	111	119	18%	7%	
Total non-interest expenses	629	623	575	605	568	(10%)	(6%)	
Income before income taxes and cumulative effect of accounting change	231	279	318	299	255	10%	(15%)	
Income tax expense	89	108	122	106	88	(1%)	(17%)	
Income before cumulative effect of accounting change	142	171	196	193	167	18%	(13%)	
Cumulative effect of accounting change (1)	(13)	0	0	0	0	*	--	
Net income	\$ 129	\$ 171	\$ 196	\$ 193	\$ 167	29%	(13%)	
Compensation and benefits as a % of net revenues	22%	21%	20%	19%	23%			
Non-compensation expenses as a % of net revenues	51%	48%	44%	48%	46%			
Profit margin (2)	17%	19%	22%	21%	20%			

(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 11.

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

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	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	Percentage Change From		
						1Q02 vs. 1Q01	1Q02 vs. 4Q01	
Fees:								
Merchant and cardmember	\$ 496	\$ 512	\$ 539	\$ 539	\$ 541	9%	--	
Servicing	0	0	0	0	0	--	--	
Other	0	0	3	2	2	*	--	
Total non-interest revenues	496	512	542	541	543	9%	--	
Interest revenue	1,747	1,745	1,741	1,696	1,611	(8%)	(5%)	
Interest expense	798	730	657	562	499	(37%)	(11%)	
Net interest income	949	1,015	1,084	1,134	1,112	17%	(2%)	
Provision for consumer loan losses	585	625	733	771	832	42%	8%	
Net credit income	364	390	351	363	280	(23%)	(23%)	
Net revenues	860	902	893	904	823	(4%)	(9%)	
Compensation and benefits	188	189	183	172	188	--	9%	
Occupancy and equipment	16	15	17	18	14	(13%)	(22%)	
Information processing and communications	86	93	91	105	79	(8%)	(25%)	
Marketing and business development	182	163	126	142	119	(35%)	(16%)	
Professional services	56	52	50	57	49	(13%)	(14%)	
Other	101	111	108	111	119	18%	7%	
Total non-interest expenses	629	623	575	605	568	(10%)	(6%)	
Income before income taxes and cumulative effect of accounting change	231	279	318	299	255	10%	(15%)	
Income tax expense	89	108	122	106	88	(1%)	(17%)	
Income before cumulative effect of accounting change	142	171	196	193	167	18%	(13%)	
Cumulative effect of accounting change (1)	(13)	0	0	0	0	*	--	
Net income	\$ 129	\$ 171	\$ 196	\$ 193	\$ 167	29%	(13%)	
Compensation and benefits as a % of net revenues	22%	21%	20%	19%	23%			
Non-compensation expenses as a % of net revenues	51%	48%	44%	48%	46%			
Profit margin (2)	17%	19%	22%	21%	20%			

(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 11.



MORGAN STANLEY DEAN WITTER & CO.
 Quarterly Financial Information and Statistical Data
 Credit Services
 (unaudited, dollars in millions)

	QUARTER ENDED							Percentage Change From	
	Feb 28, 2001	May 31, 2001	Aug 31, 2001	Nov 30, 2001	Feb 28, 2002	1Q02 vs. 1Q01	1Q02 vs. 4Q01		
Owned credit card loans									
Period end	\$ 21,739	\$ 20,909	\$ 20,194	\$ 20,085	\$ 20,554	(5%)	2%		
Average	\$ 21,555	\$ 21,301	\$ 20,407	\$ 19,546	\$ 20,972	(3%)	7%		
Managed credit card loans (1)									
Period end	\$ 49,493	\$ 50,227	\$ 49,704	\$ 49,332	\$ 49,569	--	--		
Average	\$ 49,273	\$ 49,658	\$ 49,825	\$ 48,964	\$ 50,396	2%	3%		
Interest yield	13.66%	13.34%	13.34%	13.48%	12.63%	(103 bp)	(85 bp)		
Interest spread	7.09%	7.49%	8.13%	8.81%	8.61%	152 bp	(20 bp)		
Net charge-off rate	4.79%	4.98%	5.79%	5.85%	6.49%	170 bp	64 bp		
Delinquency rate (over 30 days)	6.34%	5.84%	6.31%	6.85%	6.75%	41 bp	(10 bp)		
Delinquency rate (over 90 days)	2.74%	2.60%	2.61%	3.02%	3.12%	38 bp	10 bp		
Transaction volume (billions)	\$ 24.4	\$ 23.5	\$ 23.3	\$ 22.1	\$ 24.1	(1%)	9%		
Accounts (millions)	43.7	44.7	45.4	45.7	46.0	5%	1%		
Active accounts (millions)	24.0	24.3	24.0	24.0	23.8	(1%)	(1%)		
Average receivables per average active account (actual \$)	\$ 2,050	\$ 2,052	\$ 2,069	\$ 2,055	\$ 2,098	2%	2%		
Securitization Gain	\$ 25	\$ 49	\$ 3	\$ (7)	\$ 8	(68%)	214%		

(1) Includes owned and securitized credit card loans.

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

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This Financial Supplement contains financial, statistical and business-related information, as well as business and segment trends. The information should be read in conjunction with the Company's fourth quarter earnings press release issued March 26, 2002.