

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

|   | Quarter Ended |              |              | Percentage Change From: |              |
|---|---------------|--------------|--------------|-------------------------|--------------|
|   | Feb 28, 1999  | Feb 28, 1998 | Nov 30, 1998 | Feb 28, 1998            | Nov 30, 1998 |
| <b>Fees:</b>                                      |               |              |              |                         |              |
| Merchant and cardmember servicing                 | \$ 341        | \$ 428       | \$ 377       | (20%)                   | (10%)        |
| Principal transactions:                           |               |              |              |                         |              |
| Investments                                       | 36            | 0            | 0            | *                       | *            |
| Commissions                                       | 13            | 8            | 10           | 63%                     | 30%          |
| Asset management, distribution and administration | 2             | 0            | 1            | *                       | 100%         |
| Other   | 0             | 2            | 0            | *                       | --           |
| Total non-interest revenues                       | 645           | 609          | 658          | 6%                      | (2%)         |
| Interest revenue                                  | 561           | 783          | 602          | (28%)                   | (7%)         |
| Interest expense                                  | 222           | 293          | 219          | (24%)                   | 1%           |
| Net interest income                               | 339           | 490          | 383          | (31%)                   | (11%)        |
| Provision for consumer loan losses                | 177           | 405          | 213          | (56%)                   | (17%)        |
| Net credit income                                 | 162           | 85           | 170          | 91%                     | (5%)         |
| Net revenues                                      | 807           | 694          | 828          | 16%                     | (3%)         |
| Compensation and benefits                         | 125           | 142          | 131          | (12%)                   | (5%)         |
| Occupancy and equipment                           | 13            | 18           | 17           | (28%)                   | (24%)        |
| Brokerage, clearing and exchange fees             | 2             | 3            | 2            | (33%)                   | --           |
| Information processing and communications         | 119           | 120          | 120          | (1%)                    | (1%)         |
| Marketing and business development                | 266           | 183          | 340          | 45%                     | (22%)        |
| Professional services                             | 22            | 23           | 25           | (4%)                    | (12%)        |
| Other   | 46            | 45           | 58           | 2%                      | (21%)        |
| Total non-interest expenses                       | 593           | 534          | 693          | 11%                     | (14%)        |
| Gain on sales of businesses                       | 0             | 0            | 362          | --                      | *            |
| Income before income taxes                        | 214           | 160          | 497          | 34%                     | (57%)        |
| Income tax expense                                | 79            | 61           | 250          | 30%                     | (68%)        |
| Net income  | \$ 135        | \$ 99        | \$ 247       | 36%                     | (45%)        |
| Compensation and benefits as a % of net revenues  | 15%           | 20%          | 16%          |                         |              |
| Non-compensation expenses as a % of net revenues  | 58%           | 56%          | 68%          |                         |              |
| Profit margin (1)                                 | 17%           | 14%          | 30%          |                         |              |

(1) Net income as a % of net revenues.