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Morgan Stanley

For Immediate Release

Morgan Stanley Earns $930 Million In Second Quarter
Despite A Difficult Market Environment;
Return On Equity Is 19%

NEW YORK, June 21, 2001 — Morgan Stanley (NYSE: MWD) today reported net income of $930 million for the quarter ended May 31, 2001 — a 36 percent decline from $1,458 million in last year's second quarter. Diluted earnings per share were $0.82 — down 35 percent from $1.26 a year ago.

Second quarter net revenues (total revenues less interest expense and the provision for loan losses) were $6.0 billion — 15 percent below a year ago. The annualized return on average common equity for the quarter was 19 percent.

Philip J. Purcell, Chairman, and Robert G. Scott, President, said in a joint statement, "During the second quarter, we continued to operate in a difficult environment, especially in the securities segment, where depressed levels of activity in equity underwriting and global M&A adversely affected results. Even so, our firm earned $930 million for the quarter and achieved a 19 percent return on shareholders' equity. We continue to focus on the needs of our clients, gaining efficiencies and building market share in this challenging time. We remain confident that the long-term trends are very positive for global financial services."

In the first six months of fiscal 2001, net income was $2,005 million, 33 percent lower than $3,002 million a year ago.[1] Six-month diluted earnings per share were $1.76, down 32 percent from last year's $2.60. Net revenues declined 14 percent to $12.4 billion. The annualized return on average common equity was 21 percent for the first six months of the year.

SECURITIES

The Company's securities business posted net income of $635 million, a 42 percent decrease from last year's exceptionally strong second quarter. The decline reflected a much lower level of activity in both the institutional and individual investor businesses. Fixed income was the exception, achieving a record quarter.

- Institutional sales and trading net revenues of $2.5 billion were 9 percent below a year ago.
  - The outstanding quarter in fixed income was largely due to continued strength in government debt, investment grade debt and commodities trading. Favorable debt market conditions, including the recent round of interest rate cuts in the U.S., and high levels of volatility in energy markets, contributed to the division's strong results.
  - Equity revenues declined from the record levels achieved a year ago, primarily as a result of lower volatility, a decline in primary issuance and increased margin pressure.
- In investment banking:
  - Advisory revenues were $291 million, down 55 percent from last year's second quarter. The decline resulted primarily from the sharp decrease in global M&A activity that began late last year. Industry-wide, global

[1] All amounts for the six months ended May 31, 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.

completed M&A transaction volume fell 58 percent during the second quarter compared to a year ago.

- Underwriting revenues declined 29 percent from last year's second quarter to $495 million, primarily reflecting a 37 percent decrease in industry-wide global equity new issue volume.
- Currently, the Company ranks second in announced global M&A transactions with a 24 percent market share, has maintained its leadership position in worldwide equity and equity related issues with a market share of 12 percent, and ranks first in Worldwide and U.S. IPOs.[2]

- In the individual investor group:
  - Net revenues declined 24 percent to $1.1 billion as retail participation in equity markets fell sharply from last year's levels. Net interest income also declined sharply as a result of lower margin debit balances. Revenues from asset management products and fee-based assets were slightly lower than a year ago.
  - Total client assets of $634 billion were 5 percent lower than a year ago. Client assets in fee-based accounts increased 4 percent from last year's second quarter to $117 billion — largely due to the acquisition of Quilter Holdings, a U.K.-based investment management business.
  - The number of global financial advisors rose to 14,256 — an increase of 148 for the quarter and 743 over the past twelve months.
- Securities' principal investment activities had negative revenues of $107 million for the second quarter compared with negative revenues of $242 million a year ago.

[2] Source: Thomson Financial Securities Data – January 1 to June 18, 2001.

ASSET MANAGEMENT

Asset management net income was $124 million, 21 percent below last year's second quarter. The decline in earnings resulted from a modest decline in the Company's average assets under management and a continued shift to a lower percentage of equity products in the asset mix.

- Assets under management declined $21 billion, or 4 percent, from a year ago to $487 billion, entirely due to lower market values.
- Retail assets of $303 billion were $6 billion lower than the first quarter and $11 billion lower than a year ago. Institutional assets increased $1 billion for the quarter but were $10 billion lower than a year ago — to stand at $184 billion.
- The Company had 65 funds rated four or five stars by Morningstar, up from 46 a year ago. Among investment managers, the Company has the second highest number of domestic funds receiving one of Morningstar's two highest ratings.[3]

CREDIT SERVICES

Credit services net income was $171 million, 19 percent lower than the second quarter of 2000 — reflecting higher net charge-offs and non-interest expenses partially offset by an increase in net interest income.

- Managed credit card loans rose to a record $50.2 billion at quarter end, an increase of $6.5 billion, or 15 percent, from a year ago. The interest rate spread widened 19 basis points over the same period, largely due to the decline in interest rates that began in the first quarter of the year.
- Merchant and cardmember fees rose 6 percent to $635 million. Transaction volume increased 7 percent from the second quarter of 2000 to $23.5 billion, driven primarily by higher quarterly sales volume.

[3] As of April 2001.

- The credit card net charge-off rate increased to 4.98 percent — 77 basis points higher than a year ago. The over-30-day delinquency rate was 5.84 percent compared to 5.11 percent a year ago. The increase in both the charge-off and delinquency rates reflected both the continued weakness in the U.S. economy and the aging of cardmember accounts opened after 1998. In addition, accounts with bankruptcy notifications, which are written off 60 days after receipt, trended significantly higher during the quarter.
- Total non-interest expenses rose 14 percent over a year ago, reflecting increased investments in customer service and collection activities. The ratio of non-interest expenses to average consumer loans, however, was unchanged from a year ago.
- Discover opened 1.4 million new cardmember accounts during the quarter, and enrolled 204,000 new merchant locations — a 17 percent increase from the second quarter enrollment a year ago.

The Company has repurchased approximately 14 million shares of its common stock since the end of fiscal 2000. The Company also announced that its Board of Directors declared a $0.23 quarterly dividend per common share. The dividend is payable on July 27, 2001 to common shareholders of record on July 6, 2001.

Total capital at May 31, 2001 was $61.3 billion, including $20.4 billion of common and preferred stockholders' equity and preferred securities issued by subsidiaries. Book value per common share was $17.54, based on shares outstanding of 1.1 billion.

Morgan Stanley is a global financial services firm and a market leader in securities, asset 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, which reflect management's beliefs and expectations, 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," "Asset Management" and "Credit Services" in Part I, Item 1 in the Company's 2000 Annual Report on Form 10-K and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in the Company's Quarterly Reports on Form 10-Q for fiscal 2001.

MORGAN STANLEY DEAN WITTER & CO.
Financial Summary
(unaudited, dollars in millions)

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Net revenues								
Securities	$ 4,417	$ 5,408	$ 4,737	(18%)	(7%)	$ 9,154	$ 11,288	(19%)
Asset Management	606	680	655	(11%)	(7%)	1,261	1,329	(5%)
Credit Services	1,025	1,000	993	3%	3%	2,018	1,899	6%
Consolidated net revenues	$ 6,048	$ 7,088	$ 6,385	(15%)	(5%)	$ 12,433	$ 14,516	(14%)
Net income								
Securities	$ 635	$ 1,090	$ 784	(42%)	(19%)	$ 1,419	$ 2,334	(39%)
Asset Management	124	157	149	(21%)	(17%)	273	317	(14%)
Credit Services	171	211	142	(19%)	20%	313	351	(11%)
Income before cumulative effect of accounting change	930	1,458	1,075	(36%)	(13%)	2,005	3,002	(33%)
Cumulative effect of accounting change (1)	0	0	(59)	--	*	(59)	0	*
Consolidated net income	$ 930	$ 1,458	$ 1,016	(36%)	(8%)	$ 1,946	$ 3,002	(35%)
Preferred stock dividend requirements	$ 9	$ 9	$ 9	--	--	$ 18	$ 18	--
Earnings applicable to common shares	$ 921	$ 1,449	$ 1,007	(36%)	(9%)	$ 1,928	$ 2,984	(35%)
Basic earnings per common share								
Income before cumulative effect of accounting change	$ 0.85	$ 1.32	$ 0.98	(36%)	(13%)	$ 1.83	$ 2.72	(33%)
Cumulative effect of accounting change	$ 0.00	$ 0.00	$ (0.05)	--	*	$ (0.05)	$ 0.00	*
Net Income	$ 0.85	$ 1.32	$ 0.93	(36%)	(9%)	$ 1.78	$ 2.72	(35%)
Diluted earnings per common share								
Income before cumulative effect of accounting change	$ 0.82	$ 1.26	$ 0.94	(35%)	(13%)	$ 1.76	$ 2.60	(32%)
Cumulative effect of accounting change	$ 0.00	$ 0.00	$ (0.05)	--	*	$ (0.05)	$ 0.00	*
Net Income	$ 0.82	$ 1.26	$ 0.89	(35%)	(8%)	$ 1.71	$ 2.60	(34%)
Average common shares outstanding								
Basic	1,085,305,558	1,098,245,490	1,089,270,364			1,087,205,706	1,096,007,767	
Diluted	1,120,687,197	1,145,401,309	1,134,150,225			1,127,129,224	1,146,322,769	
Period end common shares outstanding	1,110,061,470	1,124,979,347	1,114,434,549			1,110,061,470	1,124,979,347	
Return on common equity (2)	19.1%	33.0%	22.5%			20.8%	34.7%	

(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) Excludes the cumulative effect of accounting change.

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

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Investment banking	$ 801	$ 1,370	$ 957	(42%)	(16%)	$ 1,758	$ 2,705	(35%)
Principal transactions:								
Trading	2,109	2,496	1,709	(16%)	23%	3,818	4,768	(20%)
Investments	(107)	(236)	(46)	55%	(133%)	(153)	195	(178%)
Commissions	836	972	849	(14%)	(2%)	1,685	1,956	(14%)
Fees:								
Asset management, distribution and administration	1,040	1,094	1,074	(5%)	(3%)	2,114	2,078	2%
Merchant and cardmember	448	453	446	(1%)	--	894	902	(1%)
Servicing	476	349	427	36%	11%	903	636	42%
Interest and dividends	6,950	5,123	7,236	36%	(4%)	14,186	9,872	44%
Other	139	91	125	53%	11%	264	183	44%
Total revenues	12,692	11,712	12,777	8%	(1%)	25,469	23,295	9%
Interest expense	6,413	4,420	6,179	45%	4%	12,592	8,352	51%
Provision for consumer loan losses	231	204	213	13%	8%	444	427	4%
Net revenues	6,048	7,088	6,385	(15%)	(5%)	12,433	14,516	(14%)
Compensation and benefits	2,742	3,097	2,851	(11%)	(4%)	5,593	6,505	(14%)
Occupancy and equipment	232	174	220	33%	5%	452	349	30%
Brokerage, clearing and exchange fees	170	149	160	14%	6%	330	288	15%
Information processing and communications	414	365	395	13%	5%	809	695	16%
Marketing and business development	454	501	499	(9%)	(9%)	953	972	(2%)
Professional services	296	233	292	27%	1%	588	433	36%
Other	275	274	275	--	--	550	547	1%
Total non-interest expenses	4,583	4,793	4,692	(4%)	(2%)	9,275	9,789	(5%)
Income before income taxes and cumulative effect of accounting change	1,465	2,295	1,693	(36%)	(13%)	3,158	4,727	(33%)
Income tax expense	535	837	618	(36%)	(13%)	1,153	1,725	(33%)
Income before cumulative effect of accounting change	930	1,458	1,075	(36%)	(13%)	2,005	3,002	(33%)
Cumulative effect of accounting change (1)	0	0	(59)	--	*	(59)	0	*
Net income	$ 930	$ 1,458	$ 1,016	(36%)	(8%)	$ 1,946	$ 3,002	(35%)
Preferred stock dividend requirements	$ 9	$ 9	$ 9	--	--	$ 18	$ 18	--
Earnings applicable to common shares	$ 921	$ 1,449	$ 1,007	(36%)	(9%)	$ 1,928	$ 2,984	(35%)
Compensation and benefits as a % of net revenues	45%	44%	45%			45%	45%	

(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.

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

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Investment banking	$ 786	$ 1,337	$ 938	(41%)	(16%)	$ 1,724	$ 2,628	(34%)
Principal transactions:								
Trading	2,109	2,496	1,709	(16%)	23%	3,818	4,768	(20%)
Investments	(107)	(242)	(46)	56%	(133%)	(153)	181	(185%)
Commissions	828	961	839	(14%)	(1%)	1,667	1,934	(14%)
Asset management, distribution and administration fees	475	490	481	(3%)	(1%)	956	909	5%
Interest and dividends	6,279	4,341	6,539	45%	(4%)	12,818	8,332	54%
Other	135	81	114	67%	18%	249	166	50%
Total revenues	10,505	9,464	10,574	11%	(1%)	21,079	18,918	11%
Interest expense	6,088	4,056	5,837	50%	4%	11,925	7,630	56%
Net revenues	4,417	5,408	4,737	(18%)	(7%)	9,154	11,288	(19%)
Compensation and benefits	2,353	2,741	2,445	(14%)	(4%)	4,798	5,786	(17%)
Occupancy and equipment	188	134	175	40%	7%	363	271	34%
Brokerage, clearing and exchange fees	127	110	117	15%	9%	244	212	15%
Information processing and communications	266	237	255	12%	4%	521	445	17%
Marketing and business development	127	177	148	(28%)	(14%)	275	329	(16%)
Professional services	216	164	215	32%	--	431	302	43%
Other	166	157	168	6%	(1%)	334	324	3%
Total non-interest expenses	3,443	3,720	3,523	(7%)	(2%)	6,966	7,669	(9%)
Income before income taxes and cumulative effect of accounting change	974	1,688	1,214	(42%)	(20%)	2,188	3,619	(40%)
Income tax expense	339	598	430	(43%)	(21%)	769	1,285	(40%)
Income before cumulative effect of accounting change	635	1,090	784	(42%)	(19%)	1,419	2,334	(39%)
Cumulative effect of accounting change (1)	0	0	(46)	--	*	(46)	0	*
Net income	$ 635	$ 1,090	$ 738	(42%)	(14%)	$ 1,373	$ 2,334	(41%)
Compensation and benefits as a % of net revenues	53%	51%	52%			52%	51%	
Non-compensation expenses as a % of net revenues	25%	18%	23%			24%	17%	
Profit margin (2)	14%	20%	17%			16%	21%	

(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.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Investment banking	$ 15	$ 33	$ 19	(55%)	(21%)	$ 34	$ 77	(56%)
Principal transactions:								
Investments	0	6	0	*	--	0	14	*
Commissions	8	11	10	(27%)	(20%)	18	22	(18%)
Asset management, distribution and administration fees	565	604	593	(6%)	(5%)	1,158	1,169	(1%)
Interest and dividends	17	20	25	(15%)	(32%)	42	34	24%
Other	4	10	11	(60%)	(64%)	15	17	(12%)
Total revenues	609	684	658	(11%)	(7%)	1,267	1,333	(5%)
Interest expense	3	4	3	(25%)	--	6	4	50%
Net revenues	606	680	655	(11%)	(7%)	1,261	1,329	(5%)
Compensation and benefits	202	214	217	(6%)	(7%)	419	415	1%
Occupancy and equipment	26	24	26	8%	--	52	47	11%
Brokerage, clearing and exchange fees	43	39	43	10%	--	86	76	13%
Information processing and communications	26	22	24	18%	8%	50	43	16%
Marketing and business development	41	42	36	(2%)	14%	77	81	(5%)
Professional services	32	27	28	19%	14%	60	49	22%
Other	24	48	33	(50%)	(27%)	57	82	(30%)
Total non-interest expenses	394	416	407	(5%)	(3%)	801	793	1%
Income before income taxes	212	264	248	(20%)	(15%)	460	536	(14%)
Income tax expense	88	107	99	(18%)	(11%)	187	219	(15%)
Net income	$ 124	$ 157	$ 149	(21%)	(17%)	$ 273	$ 317	(14%)
Compensation and benefits as a % of net revenues	33%	31%	33%			33%	31%	
Non-compensation expenses as a % of net revenues	32%	30%	29%			30%	28%	
Profit margin (1)	20%	23%	23%			22%	24%	

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

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Fees:								
Merchant and cardmember	$ 448	$ 453	$ 446	(1%)	--	$ 894	$ 902	(1%)
Servicing	476	349	427	36%	11%	903	636	42%
Total non-interest revenues	924	802	873	15%	6%	1,797	1,538	17%
Interest revenue	654	762	672	(14%)	(3%)	1,326	1,506	(12%)
Interest expense	322	360	339	(11%)	(5%)	661	718	(8%)
Net interest income	332	402	333	(17%)	--	665	788	(16%)
Provision for consumer loan losses	231	204	213	13%	8%	444	427	4%
Net credit income	101	198	120	(49%)	(16%)	221	361	(39%)
Net revenues	1,025	1,000	993	3%	3%	2,018	1,899	6%
Compensation and benefits	187	142	189	32%	(1%)	376	304	24%
Occupancy and equipment	18	16	19	13%	(5%)	37	31	19%
Information processing and communications	122	106	116	15%	5%	238	207	15%
Marketing and business development	286	282	315	1%	(9%)	601	562	7%
Professional services	48	42	49	14%	(2%)	97	82	18%
Other	85	69	74	23%	15%	159	141	13%
Total non-interest expenses	746	657	762	14%	(2%)	1,508	1,327	14%
Income before income taxes and cumulative effect of accounting change	279	343	231	(19%)	21%	510	572	(11%)
Income tax expense	108	132	89	(18%)	21%	197	221	(11%)
Income before cumulative effect of accounting change	171	211	142	(19%)	20%	313	351	(11%)
Cumulative effect of accounting change (1)	0	0	(13)	--	*	(13)	0	*
Net income	$ 171	$ 211	$ 129	(19%)	33%	$ 300	$ 351	(15%)
Compensation and benefits as a % of net revenues	18%	14%	19%			19%	16%	
Non-compensation expenses as a % of net revenues	55%	52%	58%			56%	54%	
Profit margin (2)	17%	21%	14%			16%	18%	

(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.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
Fees:								
Merchant and cardmember	$ 635	$ 597	$ 629	6%	1%	$ 1,264	$ 1,188	6%
Servicing	0	0	0	--	--	0	0	--
Total non-interest revenues	635	597	629	6%	1%	1,264	1,188	6%
Interest revenue	1,745	1,570	1,747	11%	--	3,492	3,021	16%
Interest expense	730	695	798	5%	(9%)	1,528	1,348	13%
Net interest income	1,015	875	949	16%	7%	1,964	1,673	17%
Provision for consumer loan losses	625	472	585	32%	7%	1,210	962	26%
Net credit income	390	403	364	(3%)	7%	754	711	6%
Net revenues	1,025	1,000	993	3%	3%	2,018	1,899	6%
Compensation and benefits	187	142	189	32%	(1%)	376	304	24%
Occupancy and equipment	18	16	19	13%	(5%)	37	31	19%
Information processing and communications	122	106	116	15%	5%	238	207	15%
Marketing and business development	286	282	315	1%	(9%)	601	562	7%
Professional services	48	42	49	14%	(2%)	97	82	18%
Other	85	69	74	23%	15%	159	141	13%
Total non-interest expenses	746	657	762	14%	(2%)	1,508	1,327	14%
Income before income taxes and cumulative effect of accounting change	279	343	231	(19%)	21%	510	572	(11%)
Income tax expense	108	132	89	(18%)	21%	197	221	(11%)
Income before cumulative effect of accounting change	171	211	142	(19%)	20%	313	351	(11%)
Cumulative effect of accounting change (1)	0	0	(13)	--	*	(13)	0	*
Net income	$ 171	$ 211	$ 129	(19%)	33%	$ 300	$ 351	(15%)
Compensation and benefits as a % of net revenues	18%	14%	19%			19%	16%	
Non-compensation expenses as a % of net revenues	55%	52%	58%			56%	54%	
Profit margin (2)	17%	21%	14%			16%	18%	

(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.

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

	Quarter Ended			Percentage Change From:	
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001
MSDW					
Total assets (millions)	$ 497,000	$ 418,000	$ 450,000	19%	10%
Period end common shares outstanding (millions)	1,110.1	1,125.0	1,114.4	(1%)	--
Book value per common share	$ 17.54	$ 15.66	$ 17.23	12%	2%
Shareholders' equity (millions) (1)	$ 20,419	$ 18,510	$ 20,150	10%	1%
Total capital (millions) (2)	$ 61,274	$ 46,954	$ 51,249	30%	20%
Worldwide employees	62,909	58,131	63,708	8%	(1%)
SECURITIES					
Advisory revenue (millions)	$ 291	$ 640	$ 450	(55%)	(35%)
Underwriting revenue (millions)	$ 495	$ 697	$ 488	(29%)	1%
Institutional Securities					
Sales and trading net revenue (millions) (3)	$ 2,537	$ 2,790	$ 2,564	(9%)	(1%)
Mergers and acquisitions announced transactions (4)					
MSDW global market volume (billions)	$ 185.4	$ 671.0	$ 109.4		
Rank	2	1	1		
Worldwide equity and related issues (4)					
MSDW global market volume (billions)	$ 25.8	$ 26.5	$ 7.9		
Rank	3	2	4		
Individual Investor Group					
Net revenue (millions)	$ 1,141	$ 1,498	$ 1,196	(24%)	(5%)
Global financial advisors	14,256	13,513	14,108	5%	1%
Total client assets (billions)	$ 634	$ 669	$ 650	(5%)	(2%)
Fee-based client account assets (billions) (5)	$ 117	$ 113	$ 111	4%	5%
ASSET MANAGEMENT ($ billions)					
Assets under management or supervision					
Products offered primarily to individuals					
Mutual funds					
Equity	$ 94	$ 106	$ 96	(11%)	(2%)
Fixed income	41	49	46	(16%)	(11%)
Money markets	63	52	63	21%	--
Total mutual funds	198	207	205	(4%)	(3%)
ICS Assets	32	28	31	14%	3%
Separate accounts, unit trust and other arrangements	73	79	73	(8%)	--
Sub-total Individual	303	314	309	(4%)	(2%)
Products offered primarily to institutional clients					
Mutual funds	39	35	36	11%	8%
Separate accounts, pooled vehicle and other arrangements	145	159	147	(9%)	(1%)
Sub-total Institutional	184	194	183	(5%)	1%
Total assets under management or supervision	$ 487	$ 508	$ 492	(4%)	(1%)

(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
(3) Includes principal trading, commissions and net interest revenue.
(4) Source: Thomson Financial Securities Data - January 1 to June 18, 2001.
(5) Represents the amount of assets in client accounts where the basis of payment for services is a fee calculated on those assets.

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

	Quarter Ended			Percentage Change From:		Six Months Ended		Percentage
	May 31, 2001	May 31, 2000	Feb 28, 2001	May 31, 2000	Feb 28, 2001	May 31, 2001	May 31, 2000	Change
CREDIT SERVICES								
Owned credit card loans								
Period end	$ 20,909	$ 22,503	$ 21,739	(7%)	(4%)	$ 20,909	$ 22,503	(7%)
Average	$ 21,301	$ 23,456	$ 21,555	(9%)	(1%)	$ 21,426	$ 23,322	(8%)
Managed credit card loans (1)								
Period end	$ 50,227	$ 43,698	$ 49,493	15%	1%	$ 50,227	$ 43,698	15%
Average	$ 49,658	$ 42,957	$ 49,273	16%	1%	$ 49,468	$ 41,993	18%
Interest yield	13.34%	13.69%	13.66%	(35 bp)	(32 bp)	13.50%	13.52%	(2 bp)
Interest spread	7.49%	7.30%	7.09%	19 bp	40 bp	7.29%	7.16%	13 bp
Net charge-off rate	4.98%	4.21%	4.79%	77 bp	19 bp	4.88%	4.43%	45 bp
Delinquency rate (over 30 days)	5.84%	5.11%	6.34%	73 bp	(50 bp)	5.84%	5.11%	73 bp
Transaction volume (billions)	$ 23.5	$ 21.9	$ 24.4	7%	(4%)	$ 47.9	$ 45.4	6%
Accounts (millions)	44.7	40.4	43.7	11%	2%	44.7	40.4	11%
Active accounts (millions)	24.3	23.1	24.0	5%	1%	24.3	23.1	5%
Average receivables per average active account (actual $)	$ 2,052	$ 1,868	$ 2,050	10%	--	$ 2,051	$ 1,842	11%
Securitization gain	$ 49	$ 26	$ 25	88%	96%	$ 74	$ 48	54%

(1) Includes owned and securitized credit card loans.