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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR FEBRUARY 2004

- *Retail DARTs declined 21 percent from January, Professional DARTs declined 14 percent and Total DARTs declined 19 percent*
- *Through February, first quarter Retail DARTs, Professional DARTs and Total DARTs are trending ahead of fourth quarter levels by 21 percent, 14 percent and 18 percent, respectively*
- *Month-end margin debt balances rose 9 percent, or \$176 million, to over \$2.1 billion*
- *Total assets and deposits in customer accounts fell 1 percent to \$88.0 billion*
- *Gross new accounts totaled 46,000*

New York, March 17, 2004 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for February. The Company reported monthly Retail DARTs of 97,000 and Professional DARTs of 51,000 for Total DARTs of 148,000 – representing a 19 percent sequential decline from January. Margin debt balances continued to show significant strength, increasing 9 percent sequentially to \$2.1 billion at month end. Total active brokerage accounts in February grew for the second consecutive month, highlighting the early success of the Company’s renewed focus on brokerage account growth.

“We are extremely pleased by our growth in market share of retail trading volume in February,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. “Our brokerage-focused marketing campaign launched earlier in the quarter is resonating well with consumers and translating into growth in new account openings and reduced attrition rates.”

“We are enthusiastic about the positive business trends we are experiencing and the progress we are making on our 2004 growth initiatives,” continued Mr. Lilien. “Through February, the first quarter is tracking at or above the high end of our assumptions for the year in nearly all of our brokerage and banking core earnings drivers. If these trends continue, our model

is positioned to deliver results beyond the high end of our 2004 earnings guidance range of \$0.70 to \$0.85.”

Monthly Activity Data

| | Feb-04 | Jan-04 | Feb-04 vs. Jan-04 | Q104 QTD * | Qtr Ended 12/31/03 | Q104 QTD * vs. Qtr Ended 12/31/03 |
|---|-----------|-----------|-------------------------|------------|-----------------------|--|
| Trading days | 19.0 | 20.0 | N.M. | 39.0 | 62.5 | N.M. |
| <u>Daily Average Revenue Trades (DART's)</u> | | | | | | |
| Retail | 97,417 | 123,910 | (21.4)% | 111,003 | 91,972 | 20.7 % |
| US | 82,838 | 108,024 | (23.3)% | 95,754 | 83,081 | 15.3 % |
| International | 14,579 | 15,886 | (8.2)% | 15,249 | 8,891 | 71.5 % |
| Professional | 50,658 | 58,927 | (14.0)% | 54,899 | 48,154 | 14.0 % |
| Total DART's | 148,075 | 182,837 | (19.0)% | 165,902 | 140,126 | 18.4 % |
| <u>Market Making</u> | | | | | | |
| Equity shares traded (MM) | 11,828 | 10,305 | 14.8 % | 22,133 | 26,190 | N.M. |
| <u>Gross New Accounts</u> | | | | | | |
| Brokerage | 38,629 | 62,473 | N.M. | 101,102 | 112,275 | N.M. |
| Banking | 7,130 | 7,062 | N.M. | 14,192 | 42,023 | N.M. |
| Total gross new accounts | 45,759 | 69,535 | N.M. | 115,294 | 154,298 | N.M. |
| <u>Active Accounts</u> | | | | | | |
| Brokerage | 2,879,769 | 2,877,702 | 0.1 % | 2,879,769 | 2,848,625 | 1.1 % |
| Banking | 619,249 | 629,946 | (1.7)% | 619,249 | 638,345 | (3.0)% |
| Total active accounts end of period | 3,499,018 | 3,507,648 | (0.2)% | 3,499,018 | 3,486,970 | 0.3 % |
| End of period margin debt (\$MM) | \$2,107 | \$1,931 | 9.1 % | \$2,107 | \$1,761 | 19.7 % |
| <u>Total Assets / Deposits</u> | | | | | | |
| Total client assets in investing accounts (\$MM) | \$75,575 | \$75,961 | (0.5)% | \$75,575 | \$70,820 | 6.7 % |
| Total deposits in banking accounts (\$MM) | \$12,383 | \$12,597 | (1.7)% | \$12,383 | \$12,514 | (1.0)% |
| Total assets / deposits in customer accounts (\$MM) | \$87,958 | \$88,558 | (0.7)% | \$87,958 | \$83,334 | 5.5 % |
| <u>Loan Originations</u> | | | | | | |
| Direct mortgage originations (\$MM) | \$360 | \$234 | 53.8 % | \$594 | \$945 | N.M. |
| Consumer loan originations, incl HELOCs (\$MM) | \$227 | \$188 | 20.7 % | \$415 | \$676 | N.M. |

*Q104 QTD (quarter-to-date) includes results for the two months ended February 29, 2004

Historical monthly metric data from January 2003 to February 2004 can be found on the E*TRADE FINANCIAL investor relations site at www.etrade.com.

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