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E*TRADE FINANCIAL Media Contact

Pam Erickson
E*TRADE FINANCIAL Corporation
617-296-6080
pam.erickson@etrade.com

E*TRADE FINANCIAL Investor Relations Contact

Adam Townsend
E*TRADE FINANCIAL Corporation
703-236-8719
adam.townsend@etrade.com

**E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY
ACTIVITY FOR AUGUST 2004**

- *Retail DARTs decreased 13.5 percent from July, Professional DARTs decreased 23.8 percent and Total DARTs decreased 17.3 percent*
- *Month-end margin debt balances decreased 7.8 percent, or \$162 million, to \$1.93 billion*
- *Total assets and deposits in customer accounts decreased 1.4 percent to \$79.3 billion*
- *Gross new accounts totaled 70,032*

New York, September 15, 2004 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for August. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 57,912 and Professional DARTs of 30,261 for Total DARTs of 88,173. Margin debt balances decreased 7.8 percent sequentially to \$1.93 billion at month end.

“Anticipating the seasonal dip in trading, we focused on the fastest growing customer segment – the retail customer. As a result, we have gained meaningful market share,” said R. Jarrett Lilien, President and Chief Operating Officer of E*TRADE FINANCIAL. “Even with a slow summer, we are confident that the ongoing momentum created by our business model should deliver on our 2004 earnings guidance range of between \$0.87 and \$0.97 per share.”

Monthly Activity Data

	Aug-04	July-04	Aug-04 vs. July-04	Q304 QTD *	Qtr Ended 6/30/04	Q304 QTD * vs. Qtr Ended 6/30/04
Trading days	22.0	21.0	N.M.	43.0	62.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
Retail	57,912	66,921	(13.5)%	62,311	79,675	(21.8)%
US	49,071	57,192	(14.2)%	53,037	69,073	(23.2)%
International	8,841	9,729	(9.1)%	9,274	10,602	(12.5)%
Professional	30,261	39,702	(23.8)%	34,872	47,758	(27.0)%
Total DARTs	88,173	106,623	(17.3)%	97,183	127,433	(23.7)%
<u>Market Making</u>						
Equity shares traded (MM)	19,365	27,888	(30.6)%	47,253	89,792	(47.4)%
<u>Gross New Accounts</u>						
Brokerage	37,608	42,679	N.M.	80,287	130,793	N.M.
Banking	32,424	14,290	N.M.	46,714	37,726	N.M.
Total gross new accounts	70,032	56,969	N.M.	127,001	168,519	N.M.
<u>Active Accounts</u>						
Brokerage	2,903,476	2,892,908	0.4 %	2,903,476	2,901,140	0.1 %
Banking	634,003	622,253	1.9 %	634,003	627,567	1.0 %
Total active accounts end of period	3,537,479	3,515,161	0.6 %	3,537,479	3,528,707	0.2 %
End of period margin debt (\$MM)	\$1,927	\$2,089	(7.8)%	\$1,927	\$2,067	(6.8)%
<u>Total Assets / Deposits (\$MM)</u>						
Total client assets in investing accounts	\$67,165	\$68,922	(2.5)%	\$67,165	\$76,904	(12.7)%
Total deposits in banking accounts	\$12,105	\$11,467	5.6 %	\$12,105	\$11,838	2.3 %
Total assets / deposits in customer accounts	\$79,270	\$80,389	(1.4)%	\$79,270	\$88,742	(10.7)%
<u>Loan Originations (\$MM)</u>						
Direct mortgage originations	\$209	\$194	7.7 %	\$403	\$1,287	N.M.
Consumer loan originations, incl HELOCs	\$203	\$196	3.6 %	\$399	\$771	N.M.

*Q304 quarter-to-date (QTD) includes results for the two months ended August 31, 2004

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

About E*TRADE FINANCIAL

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