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

- *Retail DARTs decreased 1.9 percent from June, Professional DARTs decreased 1.0 percent and Total DARTs decreased 1.6 percent*
- *Month-end margin debt balances increased 1.1 percent, or \$22 million, to \$2.09 billion*
- *Total assets and deposits in customer accounts decreased 9.4 percent to \$80.4 billion*
- *Gross new accounts totaled 56,969*

New York, August 18, 2004 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for July. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 66,921 and Professional DARTs of 39,702 for Total DARTs of 106,623 – representing a 1.6 percent sequential decrease from June. Margin debt balances increased 1.1 percent sequentially to \$2.09 billion at month end.

“July retail volumes were affected by traditional seasonality,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. “In this type of market, we continue to benefit from diversification within brokerage where we experienced relative strength in our International and Professional segments. We also continue to execute on our integration strategy by sweeping an additional \$800 million of brokerage customer funds to the bank so far in August.”

Monthly Activity Data

	July-04	June-04	July-04 vs. June-04	Qtr Ended 6/30/04	July-04 vs. Qtr Ended 6/30/04
Trading days	21.0	21.0	N.M.	62.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
Retail	66,921	68,248	(1.9)%	79,675	(16.0)%
US	57,192	59,110	(3.2)%	69,073	(17.2)%
International	9,729	9,138	6.5 %	10,602	(8.2)%
Professional	39,702	40,096	(1.0)%	47,758	(16.9)%
Total DARTs	106,623	108,344	(1.6)%	127,433	(16.3)%
<u>Market Making</u>					
Equity shares traded (MM)	27,888	42,117	(33.8)%	89,792	N.M.
<u>Gross New Accounts</u>					
Brokerage	42,679	35,333	N.M.	130,793	N.M.
Banking	14,290	16,205	N.M.	37,726	N.M.
Total gross new accounts	56,969	51,538	N.M.	168,519	N.M.
<u>Active Accounts</u>					
Brokerage	2,892,908	2,901,140	(0.3)%	2,901,140	(0.3)%
Banking	622,253	627,567	(0.8)%	627,567	(0.8)%
Total active accounts end of period	3,515,161	3,528,707	(0.4)%	3,528,707	(0.4)%
End of period margin debt (\$MM)	\$2,089	\$2,067	1.1 %	\$2,067	1.1 %
<u>Total Assets / Deposits (\$MM)</u>					
Total client assets in investing accounts	\$68,922	\$76,904	(10.4)%	\$76,904	(10.4)%
Total deposits in banking accounts	\$11,467	\$11,838	(3.1)%	\$11,838	(3.1)%
Total assets / deposits in customer accounts	\$80,389	\$88,742	(9.4)%	\$88,742	(9.4)%
<u>Loan Originations (\$MM)</u>					
Direct mortgage originations	\$194	\$296	(34.4)%	\$1,287	N.M.
Consumer loan originations, ind HELOCs	\$196	\$247	(20.5)%	\$771	N.M.

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

About E*TRADE FINANCIAL

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