

**FOR IMMEDIATE RELEASE**

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**E\*TRADE FINANCIAL REPORTS \$0.11 EARNINGS PER SHARE  
FROM ONGOING OPERATIONS FOR SECOND QUARTER 2002,  
UP FROM \$0.02 SAME QUARTER LAST YEAR**

- *Reports Eighth Consecutive Quarter of Operating Profitability*
- *Delivers Cash Flow Positive Quarter, Reaffirms Second Half of 2002 Cash Flow Positive Guidance*
- *Increases Interest Rate Spread at E\*TRADE Bank to 144 Basis Points from 127 Basis Points*
- *Confirms 2002 Street Consensus of \$0.45 Earnings Per Share from Ongoing Operations*

**MENLO PARK, Calif., – July 17, 2002** – E\*TRADE Group, Inc. (NYSE: ET) today announced results for its quarter ended June 30, 2002, reporting net income from ongoing operations of \$38.8 million, or \$0.11 per share, compared to \$5.4 million, or \$0.02 per share, in the same quarter a year ago. The Company reported net revenue for its quarter ended June 30, 2002 of \$316 million, compared to \$308 million for the same period a year ago. In addition, the Company is confirming 2002 Street consensus of \$0.45 earnings per share from ongoing operations.

“Delivering our eighth consecutive quarter of operating profitability, E\*TRADE Financial continues to validate the inherent value of our diversified model that delivered in the most challenging market, business and economic conditions,” said Christos M. Cotsakos, Chairman of the Board and Chief Executive Officer, E\*TRADE Group, Inc. “During the quarter, E\*TRADE Financial successfully executed on its goals to further streamline operations and strengthen its strategic position, while continuing to invest for the future growth of both revenue and bottom-line earnings.”

The Company continued to drive shareowner and stakeholder value in the second quarter by:

- Acquiring Tradescape, enabling the Company to provide an increasingly dynamic real-time trading experience
- Completing migration to the open and scalable Linux platform which is expected to contribute over \$12 million in annual hardware and software maintenance savings

- Establishing a proprietary, independent research and advice offering for its institutional customer base, planned to deliver objective analysis that covers over 80 U.S. and European stocks in the pharmaceutical, retail, leisure, technology and chemical industries, representing \$800 billion in market capitalization
- Leveraging its platform and partnership with Arrowhead General Insurance Agency to expand the Company's insurance offering, providing customers with competitively priced solutions including auto, homeowners, renters, and condo property and casualty insurance products
- Introducing a new Internet banking platform and three-tiered checking account, giving customers increased functionality and enhancing their overall experience
- Advancing its multi-touchpoint strategy with the opening of 7 additional E\*TRADE Financial Zones, bringing the total number of nationwide sites to 37

“Our ability to make strategic acquisitions and leverage our integrated technology-based platform enables us to continue expanding and enhancing our financial services solutions to best meet our customers' unique needs,” continued Cotsakos. “Moving forward, we remain focused on accelerating our cross-selling and up-selling initiatives based on our relationships with customer households. Given the strength of our balance sheet and flexibility of our model, E\*TRADE Financial should be well positioned to maximize opportunities that will deliver long-term value to our customers, shareowners and stakeholders, and drive long-term growth in our strategic business units.”

E\*TRADE Financial reported significant progress in the second quarter in a number of key financial areas:

- The Company ended the quarter \$15 million cash flow positive before \$15 million in stock repurchases and reaffirms guidance of being cash flow positive in second half of 2002
- Interest rate spread at E\*TRADE Bank increased to 144 basis points from 127 basis points with net charge-offs of 16 basis points, down from 18 basis points last quarter and well below the first quarter industry average of 21 basis points
- The Company continued to improve its balance sheet by retiring an additional \$15 million in debt through exchange transactions, bringing the total amount of debt retired to \$280 million since June 2001
- E\*TRADE Mortgage originated more than \$1 billion in mortgages with 25 percent of mortgages and home equity lines of credit cross-sold to existing customers

Results from ongoing operations exclude amortization and merger-related expenses, the gain or loss on investments, unrealized losses on venture fund investments, the fair value adjustments of financial derivatives related to the impact of SFAS 133, facility restructuring and other non-recurring charges, extraordinary items and the cumulative effect of accounting change.

Also excluded from ongoing operations results is a credit of \$23 million included in operating expenses under the line item Executive settlement which reflects the terms of Christos M. Cotsakos' new two-year employment contract effective May 15, 2002, and also represents the value of the Supplemental Executive Retirement Plan and other benefits

returned by him to the Company and its shareowners. This credit is excluded from the \$0.11 earnings per share from ongoing operations.

The Company reported net income before extraordinary gains on the early extinguishment of debt and the cumulative effect of accounting change for the second quarter of \$33.7 million or \$0.09 per share on a fully diluted basis, compared to a loss of \$12.3 million or \$(0.04) per share for the same period a year ago. Net income after extraordinary items was \$32.8 million or \$0.09 per share compared to a net loss of \$10.2 million, or \$(0.03) per share for the same period a year ago.

### **Financial Results**

*Reconciliation of reported results to results from ongoing operations*

<b>\$ in millions</b>	<b>Qtr ended 6/30/2002</b>	<b>Qtr ended 3/31/2002</b>	<b>Qtr ended 6/30/2001</b>
Income (loss) as reported:			
Pre-tax	\$59.9	\$34.3	\$(25.3)
After-tax, before cumulative effect of accounting change and extraordinary items	33.7	19.4	(12.3)
EPS, before cumulative effect of accounting change and extraordinary items ( <i>diluted</i> )	0.09	0.05	(0.04)
<i>Pre-tax amounts, excluded from ongoing operations</i>			
Amortization of goodwill and other intangibles	7.6	6.7	9.0
Merger related expenses	7.4	1.2	0.5
Facility restructuring and other nonrecurring charges	1.6	(0.2)	-
Executive settlement	(23.5)	-	-
(Gain)/loss on investments	8.9	(1.7)	13.0
Unrealized loss on venture funds	1.2	1.8	9.0
Fair value adjustments of financial derivatives	(0.8)	1.0	1.7
Income from ongoing operations:			
Pre-tax	62.4	43.1	7.9
After-tax and minority interest	38.8	27.0	5.4
EPS from ongoing operations	\$0.11	\$0.08	\$0.02

**Key Performance Metrics**

	<i>Q ended 6/30/02</i>	<i>Q ended 6/30/01</i>	<i>Q ended 6/30/02 vs. Q ended 6/30/01</i>	<i>Q ended 3/31/02</i>	<i>Q ended 6/30/02 vs. Q ended 3/31/02</i>
<i>Active global brokerage accounts</i>	3,648,234	3,393,806	7%	3,598,216	1%
<i>Active banking accounts</i>	503,830	434,804	16%	519,154	(3)%
Total active accounts end of period	4,152,064	3,828,610	8%	4,117,370	1%
Net new accounts	34,694	103,489	(66)%	114,516	(70)%
Acquisition marketing costs (\$MM)	\$ 17.2	\$ 24.0	(28)%	\$ 31.1	(45)%
Cost per net new account	\$ 496	\$ 232	114%	\$ 272	83%
Total customer households end of period	3,063,534	2,826,838	8%	3,085,021	(1)%
Net new households	(21,487)	83,004	UNF	80,000	UNF
Average assets per household	\$ 15,129	\$ 18,906	(20)%	\$ 17,388	(13)%
<i>Total assets in investing accounts (\$B)</i>	\$ 38.0	\$ 45.8	(17)%	\$ 44.7	(15)%
<i>Total deposits in banking accounts (\$B)</i>	\$ 8.3	\$ 7.7	8%	\$ 9.0	(7)%
Total assets / deposits in customer accounts (\$B)	\$ 46.3	\$ 53.4	(13)%	\$ 53.6	(14)%
Total inflow into customer accounts (\$B)	\$ 3.7	\$ 5.7	(35)%	\$ 5.5	(32)%
Daily average inflow (\$MM)	\$ 57.9	\$ 91.0	(36)%	\$ 92.0	(37)%
Total bank assets (\$B)	\$ 14.6	\$ 12.7	15%	\$ 13.6	7%
Total global brokerage transactions (MM)	7.0	7.4	(6)%	6.1	13%
Daily average global brokerage transactions	108,664	117,847	(8)%	102,411	6%
Daily average global brokerage transactions (excluding Tradescape)	82,790	117,847	(30)%	102,411	(19)%
Commissions per global brokerage transaction	\$ 10.26	\$ 13.49	(24)%	\$ 13.43	(24)%
Commissions per global brokerage transaction (excluding Tradescape)	\$ 13.14	\$ 13.49	(3)%	\$ 13.43	(2)%
Rebates per global brokerage transaction	\$ 0.65	\$ 1.98	(67)%	\$ 0.71	(8)%
<i>Interest income - brokerage (\$MM)</i>	\$ 51.0	\$ 80.7	(37)%	\$ 53.1	(4)%
<i>Interest income - bank (\$MM)</i>	\$ 191.4	\$ 217.8	(12)%	\$ 202.7	(6)%
Total interest income (\$MM)	\$ 242.4	\$ 298.5	(19)%	\$ 255.7	(5)%
<i>Interest expense - brokerage (\$MM)</i>	\$ 3.1	\$ 26.7	(88)%	\$ 3.9	(21)%
<i>Interest expense - bank (\$MM)</i>	\$ 137.9	\$ 179.5	(23)%	\$ 148.9	(7)%
Total interest expense (\$MM)	\$ 140.9	\$ 206.2	(32)%	\$ 152.7	(8)%
Average margin debt (\$B)	\$ 1.4	\$ 2.0	(30)%	\$ 1.5	(6)%
Bank interest rate spread (basis points)	144	88	64%	127	13%

	<i>Q ended 6/30/02</i>	<i>Q ended 6/30/01</i>	<i>Q ended 6/30/02 vs. Q ended 6/30/01</i>	<i>Q ended 3/31/02</i>	<i>Q ended 6/30/02 vs. Q ended 3/31/02</i>
<b>Key Performance Metrics (continued)</b>					
Commission revenue (as a % of total net revenue)	23%	33%	(10)%	25%	(2)%
Principal transactions (as a % of total net revenue)	16%	10%	6%	17%	(1)%
Net brokerage interest income (as a % of total net revenue)	15%	17%	(2)%	15%	- %
Other brokerage revenue (as a % of total net revenue)	14%	14%	- %	11%	3%
Total brokerage net revenue (as a % of total net revenue)	68%	74%	(6)%	68%	- %
Gain on sales of originated loans (as a % of total net revenue)	7%	8%	(1)%	7%	- %
Gains on bank loans held for sale and other securities - net (as a % of total net revenue)	5%	3%	2%	7%	(2)%
Net banking interest income (as a % of total net revenue)	17%	13%	4%	16%	1%
Other banking revenue (as a % of total net revenue)	3%	2%	1%	2%	1%
Total banking net revenue (as a % of total net revenue)	32%	26%	6%	32%	- %

Note: unless otherwise noted, information presented in the table includes the operations of Tradescape since the date of acquisition, June 1, 2002

**Bank Asset Portfolio Details**

	Q ended 6/30/02	Q ended 3/31/02	Q ended 6/30/02 vs. Q ended 3/31/02
(\$ in MM)			
Cash & equivalents	\$500	\$614	(19)%
Trading securities	270	169	60%
Investment securities, AFS	771	879	(12)%
Mortgage securities, AFS	4,754	4,313	10%
Loans receivable, net			
<i>Mortgage loans, net</i>	5,655	5,479	3%
<i>Consumer – auto, net</i>	2,105	1,545	36%
<i>Other</i>	5	11	(55)%
Other assets	568	635	(11)%
<b>Total assets</b>	<b>\$14,628</b>	<b>\$13,645</b>	<b>7%</b>

**Non-accrual Loans**

	Q ended 6/30/02	Q ended 3/31/02	Q ended 6/30/02 vs. Q ended 3/31/02
(\$ in MM)			
Loans accounted for on a non-accrual basis:			
Real estate loans:			
<i>One-to-four family</i>	\$21.8	\$22.1	(1)%
<i>Commercial</i>	-	-	- %
Automobile Loans	1.8	1.4	29%
<b>Total non-performing loans, net</b>	<b>23.6</b>	<b>23.5</b>	<b>- %</b>
Total REO and other repossessed assets	3.7	3.2	16%
<b>Total non-performing assets, net</b>	<b>\$27.3</b>	<b>\$26.7</b>	<b>2%</b>
Total non-performing assets, net, as a % of total banking assets	.19%	.20%	(.01)%
Total loan loss allowance as a % of total non-performing loans, net	66%	71%	(5)%

**New Revenue Format for 2002**

(\$ in thousands)	Q Ending 6/30/2002	Q Ending 3/31/2002	Q Ending 12/31/2001	Q Ending 9/30/2001	Q Ending 6/30/2001	Q Ending 3/31/2001
<b>Brokerage Revenues:</b>						
Commissions	\$71,352	\$82,527	\$90,694	\$71,012	\$100,173	\$115,825
Principal transactions	52,092	55,315	61,615	33,721	31,441	31,172
Other brokerage related	43,799	36,761	28,633	35,447	43,650	48,960
Brokerage interest income	50,975	53,051	53,098	71,020	80,718	100,745
Brokerage interest expense	(3,089)	(3,893)	(4,473)	(16,616)	(26,665)	(38,735)
<b>Net brokerage revenues</b>	<b>215,129</b>	<b>223,761</b>	<b>229,567</b>	<b>194,584</b>	<b>229,317</b>	<b>257,967</b>
<b>Banking Revenues</b>						
Gain on sales of originated loans	22,613	24,675	33,277	28,146	24,871	9,184
Gain on loans held for sale and other securities - net	17,054	21,622	30,783	17,629	8,314	19,110
Other banking related revenues	12,077	10,384	10,641	10,455	9,047	8,444
Banking interest income	191,424	202,668	205,882	213,926	217,797	216,685
Banking interest expense	(137,852)	(148,851)	(160,329)	(172,580)	(179,511)	(180,366)
Provision for loan losses	(4,383)	(3,382)	(4,377)	-	(1,656)	(1,443)
<b>Net banking revenues</b>	<b>100,933</b>	<b>107,116</b>	<b>115,877</b>	<b>97,576</b>	<b>78,862</b>	<b>71,614</b>
<b>Total net revenues</b>	<b>\$316,062</b>	<b>\$330,877</b>	<b>\$345,444</b>	<b>\$292,160</b>	<b>\$308,179</b>	<b>\$329,581</b>

New Revenue Line Item Classifications for 2002

Commissions – Commissions include domestic transaction revenues and international transaction revenues. Historically, international transaction revenues were included in global and institutional.

Principal transactions – Principal transactions include revenues from our institutional activities, historically included in global and institutional, and revenues from market making activities, included in other revenue beginning in Q4 2001.

Other brokerage related services – Other brokerage related services is primarily comprised of account maintenance fees, payment for order flow, Business Solutions Group revenue and mutual fund revenue. Order flow revenue was historically included in transaction revenues.

Brokerage interest income – Brokerage interest income was historically combined with banking interest income in interest income.

Brokerage interest expense – Brokerage interest expense was historically combined with banking interest expense in interest expense.

Gain on sales of originated loans – Non-interest revenue from E\*TRADE Financial's mortgage business.

Gain on sale of loans held for sale & other securities – net – Includes net gains from trading and available for sale securities, as well as gains on bank loans held for sale previously included in other revenue.

Other banking related revenues – Other banking related revenues are primarily comprised of automated teller machine revenues.

Banking interest income – Banking interest income was historically combined with brokerage interest income in interest income.

Banking interest expense – Banking interest expense was historically combined with brokerage interest expense in interest expense.

**About E\*TRADE Financial**

E\*TRADE Financial brings together a personalized and fully integrated financial services solution that includes investing, banking, lending, planning and advice. Delivered in a multi-touchpoint platform, the products, services, content and information at E\*TRADE Financial are available to customer households through E\*TRADE Financial Centers, Zones, ATMs and branded websites throughout the world. Securities products and services are offered by E\*TRADE Securities, Incorporated (member NASD/SIPC), bank products and services are offered by E\*TRADE Bank (member FDIC), mortgages are offered by E\*TRADE Mortgage Corporation, and E\*TRADE Financial Advisor is a service of E\*TRADE Advisory Services, Inc., an investment adviser registered with the SEC.

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**E\*TRADE GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
<b>Brokerage revenues:</b>				
Commissions.....	\$ 71,352	\$ 100,173	\$ 153,879	\$ 215,998
Principal transactions.....	52,092	31,441	107,407	62,613
Other brokerage related.....	43,799	43,650	80,560	92,610
Brokerage interest income.....	50,975	80,718	104,026	181,463
Brokerage interest expense.....	(3,089)	(26,665)	(6,982)	(65,400)
Net brokerage revenue.....	<u>215,129</u>	<u>229,317</u>	<u>438,890</u>	<u>487,284</u>
<b>Banking revenues:</b>				
Gain on sales of originated loans.....	22,613	24,871	47,288	34,055
Gain on loans held for sale and other securities - net.....	17,054	8,314	38,676	27,424
Other banking related revenues.....	12,077	9,047	22,461	17,491
Banking interest income.....	191,424	217,797	394,092	434,482
Banking interest expense.....	(137,852)	(179,511)	(286,703)	(359,877)
Provision for loan losses.....	(4,383)	(1,656)	(7,765)	(3,099)
Net banking revenue.....	<u>100,933</u>	<u>78,862</u>	<u>208,049</u>	<u>150,476</u>
Total net revenue.....	<u>316,062</u>	<u>308,179</u>	<u>646,939</u>	<u>637,760</u>
Cost of services.....	<u>133,795</u>	<u>150,458</u>	<u>274,547</u>	<u>292,893</u>
<b>Operating expenses:</b>				
Selling and marketing.....	49,014	55,399	117,978	149,097
Technology development.....	15,043	23,420	29,547	45,701
General and administrative.....	50,832	61,906	104,861	122,148
Amortization of goodwill and other intangibles.....	7,557	9,022	14,281	17,021
Merger related expenses.....	7,406	517	8,666	517
Facility restructuring and other nonrecurring charges.....	1,628	-	1,405	-
Executive settlement.....	(23,485)	-	(23,485)	-
Total operating expenses.....	<u>107,995</u>	<u>150,264</u>	<u>253,253</u>	<u>334,484</u>
Total cost of services and operating expenses.....	<u>241,790</u>	<u>300,722</u>	<u>527,800</u>	<u>627,377</u>
Operating income.....	<u>74,272</u>	<u>7,457</u>	<u>119,139</u>	<u>10,383</u>
<b>Non-operating income (expense):</b>				
Corporate interest income.....	3,569	5,220	7,149	10,998
Corporate interest expense.....	(11,803)	(12,759)	(24,199)	(23,987)
Loss on investments.....	(8,863)	(13,042)	(7,170)	(15,573)
Equity in income (losses) of investments.....	3,617	(1,811)	3,901	(5,152)
Unrealized loss on venture funds.....	(1,210)	(8,958)	(2,991)	(20,569)
Fair value adjustments of financial derivatives.....	769	(1,710)	(222)	(1,376)
Other.....	(405)	292	(1,359)	(408)
Total non-operating expense.....	<u>(14,326)</u>	<u>(32,768)</u>	<u>(24,891)</u>	<u>(56,067)</u>
Pre-tax income (loss).....	59,946	(25,311)	94,248	(45,684)
Income tax expense (benefit).....	26,076	(12,655)	40,827	(25,897)
Minority interest in subsidiaries.....	180	(350)	373	(315)
Income before cumulative effect of accounting change and extraordinary items.....	33,690	(12,306)	53,048	(19,472)
Cumulative effect of accounting change.....	-	-	(299,413)	-
Extraordinary gain (loss) on early extinguishment of debt, net of tax.....	(900)	2,111	3,174	74
Net income (loss).....	<u>\$ 32,790</u>	<u>\$ (10,195)</u>	<u>\$ (243,191)</u>	<u>\$ (19,398)</u>
<b>Income (loss) per share before cumulative effect of accounting change and extraordinary items:</b>				
Basic.....	<u>\$ 0.09</u>	<u>\$ (0.04)</u>	<u>\$ 0.15</u>	<u>\$ (0.06)</u>
Diluted.....	<u>\$ 0.09</u>	<u>\$ (0.04)</u>	<u>\$ 0.15</u>	<u>\$ (0.06)</u>
<b>Net income (loss) per share:</b>				
Basic.....	<u>\$ 0.09</u>	<u>\$ (0.03)</u>	<u>\$ (0.69)</u>	<u>\$ (0.06)</u>
Diluted.....	<u>\$ 0.09</u>	<u>\$ (0.03)</u>	<u>\$ (0.69)</u>	<u>\$ (0.06)</u>
<b>Shares used in computation of per share data:</b>				
Basic.....	356,760	321,550	351,822	319,405
Diluted.....	362,134	321,550	359,382	319,405

**E\*TRADE GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended	
	June 30, 2002	March 31, 2002
Brokerage revenues:		
Commissions.....	\$ 71,352	\$ 82,527
Principal transactions.....	52,092	55,315
Other brokerage related.....	43,799	36,761
Brokerage interest income.....	50,975	53,051
Brokerage interest expense.....	(3,089)	(3,893)
Net brokerage revenue.....	<u>215,129</u>	<u>223,761</u>
Banking revenues:		
Gain on sales of originated loans.....	22,613	24,675
Gain on loans held for sale and other securities - net.....	17,054	21,622
Other banking related revenues.....	12,077	10,384
Banking interest income.....	191,424	202,668
Banking interest expense.....	(137,852)	(148,851)
Provision for loan losses.....	(4,383)	(3,382)
Net banking revenue.....	<u>100,933</u>	<u>107,116</u>
Total net revenue.....	<u>316,062</u>	<u>330,877</u>
Cost of services.....	<u>133,795</u>	<u>140,752</u>
Operating expenses:		
Selling and marketing.....	49,014	68,964
Technology development.....	15,043	14,504
General and administrative.....	50,832	54,029
Amortization of other intangibles.....	7,557	6,724
Merger related expenses.....	7,406	1,260
Facility restructuring and other nonrecurring charges.....	1,628	(223)
Executive settlement.....	(23,485)	-
Total operating expenses.....	<u>107,995</u>	<u>145,258</u>
Total cost of services and operating expenses.....	<u>241,790</u>	<u>286,010</u>
Operating income.....	<u>74,272</u>	<u>44,867</u>
Non-operating income (expense):		
Corporate interest income.....	3,569	3,580
Corporate interest expense.....	(11,803)	(12,396)
Gain (loss) on investments.....	(8,863)	1,693
Equity in income of investments.....	3,617	284
Unrealized loss on venture funds.....	(1,210)	(1,781)
Fair value adjustments of financial derivatives.....	769	(991)
Other.....	(405)	(954)
Total non-operating expense.....	<u>(14,326)</u>	<u>(10,565)</u>
Pre-tax income.....	59,946	34,302
Income tax expense.....	26,076	14,751
Minority interest in subsidiaries.....	180	193
Income before cumulative effect of accounting change and extraordinary items.....	<u>33,690</u>	<u>19,358</u>
Cumulative effect of accounting change.....	-	(299,413)
Extraordinary gain (loss) on early extinguishment of debt, net of tax.....	(900)	4,074
Net income (loss).....	<u>\$ 32,790</u>	<u>\$ (275,981)</u>
Income per share before cumulative effect of accounting change and extraordinary items:		
Basic.....	<u>\$ 0.09</u>	<u>\$ 0.06</u>
Diluted.....	<u>\$ 0.09</u>	<u>\$ 0.05</u>
Net income (loss) per share:		
Basic.....	<u>\$ 0.09</u>	<u>\$ (0.80)</u>
Diluted.....	<u>\$ 0.09</u>	<u>\$ (0.80)</u>
Shares used in computation of per share data:		
Basic.....	356,760	346,950
Diluted.....	362,134	356,958

**E\*TRADE GROUP, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**

(in thousands)

	<b>June 30, 2002</b>	<b>December 31, 2001</b>
	(Unaudited)	
<b>ASSETS</b>		
Cash and equivalents.....	\$ 1,015,953	\$ 836,201
Cash and investments required to be segregated under Federal or other regulations.....	730,819	764,729
Brokerage receivables - net.....	1,888,055	2,139,153
Mortgage-backed securities.....	4,754,234	3,556,619
Loans receivable - net.....	7,222,742	6,394,368
Loans held for sale.....	542,468	1,616,089
Investments.....	1,188,728	1,168,623
Property and equipment - net.....	399,011	331,724
Goodwill.....	326,686	559,918
Other intangible assets.....	165,953	129,927
Other assets.....	592,268	675,063
Total assets.....	\$ 18,826,917	\$ 18,172,414
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Liabilities:		
Brokerage payables.....	\$ 2,479,769	\$ 2,699,984
Banking deposits.....	8,334,718	8,082,859
Borrowings by bank subsidiary.....	5,103,858	4,170,440
Accounts payable, accrued and other liabilities.....	620,409	818,464
Convertible subordinated notes.....	695,330	760,250
Total liabilities.....	17,234,084	16,531,997
Mandatorily redeemable preferred securities.....	93,789	69,503
Shareowners' equity:		
Preferred stock, shares authorized: 1,000,000; issued and outstanding: none at June 30, 2002 and December 31, 2001.....	-	-
Shares exchangeable into common stock, \$.01 par value, shares authorized: 10,644,223; issued and outstanding: 1,661,744 at June 30, 2002 and 1,825,632 at December 31, 2001.....	17	18
Common stock, \$.01 par value, shares authorized: 600,000,000; issued and outstanding: 366,384,496 at June 30, 2002 and 347,592,480 at December 31, 2001.....	3,664	3,476
Additional paid-in-capital.....	2,224,334	2,072,701
Shareowners' notes receivable.....	(30,402)	(32,707)
Deferred compensation.....	(11,285)	(28,110)
Accumulated deficit.....	(490,278)	(247,087)
Accumulated other comprehensive loss.....	(197,006)	(197,377)
Total shareowners' equity.....	1,499,044	1,570,914
Total liabilities and shareowners' equity.....	\$ 18,826,917	\$ 18,172,414