

It's Growing Revenues  
It's Integration

It's Innovation  
It's Personalized Solutions  
It's Consistency  
It's more than 3 Million Customer Accounts

It's Leadership  
It's more than brokerage

It's Shareowner Value  
It's Trust

It's Superior Technology  
It's Security  
It's World-Class Management

It's Profitability

It's your  
Company.

**You Saw the Future of Money—And it Looked a Lot Like Us.** We understand what people want: value, ease-of-use, and a simplified financial life. And we're delivering that to them by continuing to create a new kind of company. The kind that sets standards for an entire industry. It's a leadership strategy of vision, culture, technology, brand, and innovation.



**E\*TRADE® Is No Longer Just an Online Brokerage Firm.** In a very active twelve months, we have transformed E\*TRADE into a broad and deep financial services hub. Our customers can now do everything from check their stocks in the morning to get cash from one of our 9,600 ATMs in the afternoon to transfer money from their bank account to their brokerage account at midnight. Soon, they'll be able to look to us for advice, plan for their children's education and trust us to manage their 401(k) plans.

That convenience and broad consumer experience is what makes us different today from a year ago. But our core values haven't changed and never will—and that's what makes E\*TRADE so successful. Through the democratization of financial services, we're disrupting and disintermediating an inherently inefficient industry. We're still in the vanguard of a lifestyle revolution. We're still giving the power of the few to the many. We're still creating the future of financial services.

**Let's Do the Numbers.** Look at the top and bottom lines:

- **\$1.4 billion in net revenues** for fiscal 2000, up 104 percent from last year, reflecting the continuing diversification of our revenue stream. We're one of just five Internet companies with net revenues in excess of \$1 billion.
- **Customer assets of \$66 billion**, up 114 percent for the year, while the Nasdaq® grew just 34 percent. We continue to be trusted with record asset levels as we develop insightful and sophisticated tools, products, access and content to help consumers simplify their financial lives.
- **\$475 million in earnings before marketing from ongoing operations**, more than double that of 1999, reflecting the inherent profitability, power and diversity of our business model.
- **Annual revenue per customer of \$547.** We're getting more value from our customers than virtually any other e-commerce business.

## Financial and Operating Highlights

Years ended September 30 (in thousands except transaction and per share amounts)	2000	1999	1998	1997	1996
Net revenue	\$ 1,368,318	\$ 671,448	\$ 361,005	\$ 254,022	\$ 160,639
Net income (loss)	\$ 19,152	\$ (56,769)	\$ (402)	\$ 18,311	\$ 4,700
Income (loss) per share:					
Basic	\$ 0.06	\$ (0.21)	\$ (0.01)	\$ 0.12	\$ 0.05
Diluted	\$ 0.06	\$ (0.21)	\$ (0.01)	\$ 0.11	\$ 0.03
Shares used in computation of					
Income (loss) per share:					
Basic	301,926	272,832	195,051	147,168	92,797
Diluted	319,336	272,832	195,051	167,818	134,781
Average daily brokerage transactions	171,494	69,156	27,620	16,382	6,148
As of September 30 (in thousands except associate, account and per share amounts)	2000	1999	1998	1997	1996
Active accounts	3,315,435	1,664,795	601,666	225,361	91,365
Number of associates	3,800	2,000	1,000	700	500
Total assets	\$17,317,437	\$ 8,032,174	\$ 4,448,140	\$ 2,295,804	\$ 1,076,194
Shareowners' equity	\$ 1,856,833	\$ 1,451,795	\$ 853,059	\$ 354,550	\$ 117,979
Net book value per common share	\$ 5.99	\$ 5.11	\$ 3.26	\$ 1.91	\$ 0.84

We're still in the vanguard of a lifestyle revolution. We're still giving the power of the few  
to the many. We're still creating  
**the future of financial services.**

- **Gross margins of 62 percent**, up 700 basis points for the year, improving a record that is already one of the industry's finest.
- **Over 3 million customer accounts.** We nearly doubled our customer base in the last 12 months. And while we were at it, we achieved a low per customer acquisition cost of just \$263 for the year.
- **Profitability, profitability, profitability.** We've now had three consecutive quarters of profitability from ongoing operations. In late 1998 we took a moratorium on profitability, to build our blue-chip brand franchise and invest in our technology infrastructure and international businesses. In early 2000, the success of our investments was clear as we returned to profitability 12 months ahead of plan.

We're sharply focused on the growth of the business, and we're doing it in two key ways: by leveraging our innovative products and services to expand the lifetime value of our current customer base, and continuing to grow the customer franchise we've built.

**You Can Take it to the Bank.** E\*TRADE Bank<sup>SM</sup> is the cornerstone of that strategy, and it's showing incredible momentum. We closed the acquisition of Telebank at the beginning of the calendar year, and launched it with the E\*TRADE brand name just three months later. The immediate success of the rebranded Bank clearly underscores the power of the E\*TRADE brand. Since the launch of the E\*TRADE name, the Bank is booking new accounts at double the rate it was a year ago. In fact, E\*TRADE Bank is now the 19th largest federally chartered savings bank in the U.S.

Let's look at some of the Bank's accomplishments:

- E\*TRADE Bank surpassed \$4.6 billion in deposits and \$9 billion in total assets—over 100 percent growth in the past year.
- E\*TRADE Bank contributed 52 percent of total interest income, and 25 percent of gross revenues.
- E\*TRADE Bank more than doubled its account and deposit base from a year ago, adding a record 65,000 net new accounts in the fourth quarter alone, and over \$700 million in deposits.
- Our cross-selling between banking and brokerage is accelerating, and at \$60, the cost to bring an existing brokerage customer to the Bank is a fraction of the cost to acquire an account in the marketplace. The cross-sell of banking to our brokerage customers is an incredibly valuable proposition for E\*TRADE, doubling the annual revenue and assets we gain from these customers.

We always said this business represented a huge global opportunity,

and we

**It's a Small World After All.** We've always said that this business represented a huge global opportunity, and we continue to drive our growth worldwide. With branded sites in nine countries outside the U.S., we are strengthening E\*TRADE's position as the only truly global brand franchise in the industry. Growth is strong—as is brand recognition. The UK, Sweden, Canada and Australia all delivered triple digit growth in accounts and assets for the year. Both Canada and the UK received #1 ratings from Gomez Advisors. Korea alone executed over half a million trades during the fourth quarter, and it launched only seven months ago.

With the consolidation of E\*TRADE Germany, we not only own 100 percent of the business in the largest market in Europe, we now have a banking license in Germany, and are set to launch banking and brokerage services there in the coming year.

We recently launched E\*TRADE South Africa, where we have a strong first-mover advantage. Online financial services is an emerging industry in South Africa, and E\*TRADE is in on the ground floor.

In September, E\*TRADE Japan completed its initial public offering on the Nasdaq Japan Exchange, initially valued at \$1.2 billion. We took this opportunity to monetize a portion of our international investment, selling 20 percent of our equity stake in E\*TRADE Japan for \$80 million. We continue to hold a 32 percent stake in E\*TRADE Japan.

The acquisition of VERSUS Technologies gives E\*TRADE the expertise to create an electronic trading platform for our more than 650 institutional customers worldwide. This revolutionary platform, which we plan to start rolling out in 2001, will connect investors, institutions, investment dealers, exchanges and alternative liquidity pools to one another around the world.

**Shop for Clothes, Stop at E\*TRADE.** We're placing E\*TRADE in the center of consumers' lives—where they live, work and play. There are still 10 million consumers who invest with an offline broker but track their investments and conduct their own research online. E\*TRADE is engaged in a number of initiatives to capture this massive category, all focused on deepening our relationship with the consumer.

The addition of our new ATM network is the springboard that will propel E\*TRADE Bank's next growth phase, as it also accelerates our bank and brokerage cross-selling efforts. As we build out the network, we're creating a value-added service for our customers while placing the E\*TRADE brand on every corner.

## continue to drive our growth worldwide.

The deep relationship with the consumer takes root as we penetrate the fabric of consumers' lives with E\*TRADE Zones in SuperTarget stores, which first launched this year in Roswell, Georgia. The Zone features ATMs, customer service representatives, and a full service E\*TRADE financial kiosk offering brokerage and banking capabilities, electronic transfer of funds, streaming media and much more.

Beyond the E\*TRADE Zone is another retail access channel. Our Business Solutions Group is poised to reach the 1.3 million employees of our corporate customers who have over \$130 billion in unrealized assets in vested and unvested options. These customers are given access to an E\*TRADE account when they exercise their options, and we're giving them the products and service to keep them here.

The launch of the E\*TRADE "Virtual Credit Union" will make the E\*TRADE brand part of corporate infrastructures throughout the country. Top-tier Fortune 500 companies will be able to offer their employees packaged E\*TRADE services, including bank and brokerage, through their company Intranet. We plan to install E\*TRADE branded ATMs in the companies' corporate headquarters and major facilities, connecting people to their finances in the simplest and most convenient way possible.

**Advice—The Way You Want It.** One of the prime movers of our asset gathering strategy is something no one thought an online brokerage service could provide—a first-class advisory service. Through our partnerships and alliances, we're fully integrating the advisory component into new and existing products. eAdvisor, our joint venture with Ernst & Young, will offer an integrated electronic advice product and will give our customers access to a nationwide network of over 900 financial planners, filling a huge pent up demand in the electronic financial services marketplace.

We're also developing a platform from which individuals—with as little as \$100,000 of investable assets—can evaluate, select, access and monitor money managers on an ongoing basis via the Internet. In addition, we plan to introduce a product that will enable customers to create personal portfolios of securities. And we're developing a turnkey 401(k) solution for our corporate customers.

According to Jupiter Research, online assets are expected to grow from \$1.5 trillion today to \$5.4 trillion by 2005. With our asset gathering products we expect to capture a share of this growth and garner over \$1 billion dollars of additional annual revenues in the next five years.

# We're creating a value-added service

It's all about helping our customers achieve their financial goals. Until the Internet came along, the consumer really did not have an advocate in the financial services industry. E\*TRADE is that advocate.

**You Connect with Us, We Connect with You.** The Internet—and the ways people reach it—continues to grow. We're coming through on our pledge of anytime, from anywhere, on any platform. We see wireless as an essential growth market for the empowered individual. By 2005, 61 percent of the U.S. population will be using wireless Internet-capable devices. That's 175 million consumers. And that's why E\*TRADE now has the widest wireless reach of any financial services provider.

Our continuing drive to offer the highest quality, top performance products and tools to enable our customers' success continually gets accolades from industry rating services and the media. Our Web site has been rated Number One by leading research and evaluation services such as Gomez Advisors and Lafferty.

Success in this business is about much more than simple investment. It's about defining a whole new business model for our industry, one that changes the fundamental way we interact with consumers.

This new business model that E\*TRADE is spearheading was created in response to a fundamental demand that went unmet in the industry. People want value, ease-of-use and simplicity in their financial lives. And E\*TRADE has built a blue-chip brand defined by meeting that demand.

- If you want to create a superior, integrated customer experience, you'd better be quick about it. And we are. Our average phone answer time for trading during market hours has been dramatically reduced.
- If you want to enhance your critical customer relationships, you'd better have answers to all their questions. And we do. With customer service that's constantly offering new technologies and tools while increasing the lifetime value of our customers.
- If you want to give people total access to their money, you'd better be able to come through when they need you. And we deliver. Our E\*TRADE Everywhere strategy is providing the technology that lets customers connect to all their finances wherever and whenever they want.
- If you want to stay a leader, you'd better set new standards for the future. And we have. With new products and services that continue to set the standards for the industry—even while we're raising the bar.

# for our customers

while placing the E\*TRADE brand on every corner.

Our customers want more—and we're delivering it. A brand is only as strong as the products and service that support it. Our unmistakable global brand is one of E\*TRADE's greatest assets, and it will continue to be a powerful weapon in our arsenal as we grow the business.

Our new positioning—"E\*TRADE. It's Your Money."—and the ad campaign that goes with it capture E\*TRADE's evolution into a fully integrated financial services company, offering consumers the breadth, depth and personalization of banking, brokerage and investment planning services to take control of their financial lives.

Our brand differentiation has long defined E\*TRADE, and with this step, it will continue to do so in the future. E\*TRADE defined itself in the industry by offering consumers a way to save money. But that's no longer enough. Today's consumers are demanding service that empowers success, and enables them to make money. The E\*TRADE brand is expanding to encompass that as we become the central provider in our customers' financial lives.

We've made a lot of smart strategic moves over the past year, and we now have the pieces in place, and the products in the pipeline, to launch us into the next phase of growth. We think that the innovative products and initiatives that are slated for fiscal 2001 are really going to make this model hum, and we've put an incredibly talented leadership team and culture in place to do it.



Christos M. Cotsakos  
Chairman of the Board, Chief Executive Officer,  
and Shareowner of E\*TRADE Group, Inc.



It's all about **vision.**



Success for our customers means success for us. Which is why we have a vision for the future that's all about creating new solutions to empower our customers. It's about giving our customers the right products, tools, content and access to enable their success.

E\*TRADE's bottom line commitment has always been about helping people take control of their financial lives.

But it works both ways: added customer value means added value for E\*TRADE. Our customers now trust us with \$66 billion of their money, and we're committed to giving them more reasons to trust us with their assets in the future.



It's about empowerment. For the short term.  
For the long term. On your terms.

Vision that **empowers** people.

It's about bringing it home. E\*TRADE is expanding our relationship in every aspect of our customers' financial lives.

- One of the primary drivers of our growth is the continued expansion of our mutual fund asset base. Year over year, our mutual fund assets increased by more than 200 percent and we're continuing to expand our proprietary fund offerings.
- By launching new products such as our Premier Money Market Fund, we're rapidly expanding the product density of the E\*TRADE offering, which in turn is encouraging customers to expand their relationships with us. In fact, more than 30 percent of the net inflows to the Premier Money Market Fund was new money coming from existing customers.
- We're finding new ways to help people manage their money—and grow their assets with E\*TRADE. We acquired eInvesting, a leader in creating personalized securities portfolios. E\*TRADE's strong brand and broad distribution channel combined with eInvesting's revolutionary proprietary dollar denominated securities platform will result in a range of new E\*TRADE products that enable consumers to create personalized portfolios of securities via the Internet.
- Over 56 percent of affluent U.S. households use a financial advisor, and we're prepared to help them find what they need. Our newly announced partnership with Ernst & Young is designed to build a comprehensive, seamless advisory solution that will enhance the



delivery of advisory services to our customers—while utilizing the cost savings and convenience of our electronic platform. E\*TRADE customers will have access to both electronic advisory services and Ernst & Young’s nationwide network of professional financial planners.

**We’re Bringing E\*TRADE to Work.**

E\*TRADE’s growing corporate services business is empowering people where they work, as well. Our Business Solutions Group (BSG) recently signed agreements with several top-tier BSG clients to provide an E\*TRADE “Virtual Credit Union” solution for their employees.



2000: 1.8 MILLION U.S. HOUSEHOLDS



2005: 20 MILLION U.S. HOUSEHOLDS

**PROJECTED USE OF AUTOMATED ONLINE INVESTMENT ADVICE**

Source: Forrester, February 2000

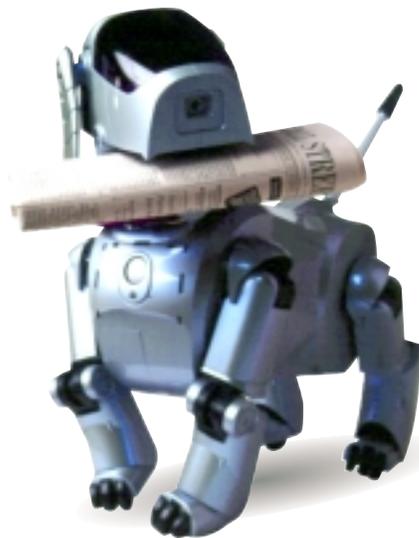
We plan to install E\*TRADE branded ATMs within all their major facilities, enabling employees to access the full range of E\*TRADE’s financial services right where they work.

The workplace is a tremendous untapped market for E\*TRADE. Through our 3,500 BSG clients, we have access to over one million potential customers and our bank cross-sell opportunities to those corporate employees are gaining momentum.

**And there’s more E\*TRADE in Store.** This year, we plan to launch E\*TRADE Zones in a number of locations nationwide. These high traffic locations will eventually feature ATMs and full service E\*TRADE financial kiosks, offering brokerage and banking capabilities, electronic transfer of funds, streaming media and much more. Our first E\*TRADE Zone opened in September 2000 in the Roswell, Georgia SuperTarget Store. SuperTarget stores are an ideal location for E\*TRADE Zones, as they attract thousands of guests per week. The E\*TRADE Zones concept has the potential of exposing our brand and products to 50 million consumers nationwide per week, and could eventually become one of E\*TRADE’s largest sources of new customers. And that’s at just one-tenth the cost of what it takes our competitors to maintain a free-standing branch.

New products. New services. New ways to reach new customers. It all adds up to a powerful asset-gathering model that delivers meaningful value to customers for years to come.

It's all about **technology.**



With the scale and cost advantages from our electronic platform, we have the size and fundamentals to remain a dominant force. Good news for investors. Good news for customers.

Our Stateless Architecture<sup>SM</sup> and integrated technology lets us deliver products, tools, content and access in a simple, personalized customer experience. Customers get what they want, when they want it. And we can build our assets and our customer base with increasing efficiency and effectiveness.

**Keep it personal. Keep it meaningful. Keep the technology coming.**

We're using technology to expand the ways we improve service to our customers. More than 50 percent of our customers are now taking advantage of electronic delivery of trade confirmations. And we're using our state-of-the-art Customer Relationship Management technology to first identify those customers who would most benefit from certain financial products and services, then alert them to that availability.



It's about technology that scales to serve the customer—and serves our bottom line.

Our system architecture allows us to offer customers unique products and services that can keep them on top of their finances and help them to make smart investment decisions. E\*TRADE's asset aggregation strategy and leading edge technology allow customers to ask their most basic questions: What do I own? How am I doing? What should I do? Help me do it!



**Mobile E\*TRADE.** The goal of our E\*TRADE customer experience is simple: Mobile E\*TRADE—anytime, anywhere, from any device.

We're establishing E\*TRADE as a force in wireless solutions through our "plug n' play" online portal solution. Our customers now have the ability to trade stocks, move funds seamlessly between banking and brokerage accounts, check account balances, customize preferences, pay bills and receive real time quotes and market updates across several wireless platforms. Through agreements with AT&T Wireless, Verizon Wireless, Sprint PCS & Nextel Communications, Inc., E\*TRADE is furthering its innovative wireless strategy to provide a fully integrated financial services offering to over 50 million wireless subscribers nationwide—the largest potential reach of any financial services provider.

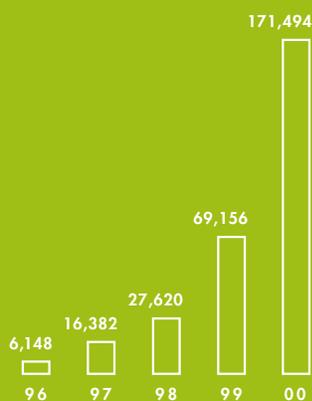
Industry analysts estimate that global wireless subscribers will reach 1.2 billion by 2003, more than double the number of Internet users today. We expect a new generation of customers will emerge whose primary relationship with E\*TRADE will be through a mobile device. We'll be ready for them as we provide the wireless applications that consumers need to access information—and execute key financial transactions, while on the go.

Technology that keeps you **connected.**

**When We Get Bigger, We Just Get Better.** In a word, scalability. We're moving aggressively to increase the value and quality we bring to and derive from each customer. We have the flexible model and experienced management to give us the ability to manage costs effectively.

It's a business model that's been tested under very challenging market conditions—and proven to be profitable and successful. Our ability to achieve productivity while investing for diversified revenue growth and building financial strength within a dramatically changing environment reflects E\*TRADE's ability to thrive. While traditional firms and online players continue to strive to emulate E\*TRADE's model, we've continued to solidify our technology, our brand and our market leadership.

The business model is growing profitably. And the investments we've already made in our technology platform will continue our rapid ability to grow and innovate while we maintain our strong ongoing margins.



AVERAGE TRANSACTIONS PER DAY



EARNINGS BEFORE MARKETING  
(IN MILLIONS)





It's all about **leadership.**

From E\*TRADE Bank to ATM machines; from Target Stores to our Business Solutions Group; we're connecting people to their online accounts in ways they couldn't have imagined just one year ago. And we're connecting the world to E\*TRADE in ways that the rest of the industry hasn't even imagined.

**Bank on It.** E\*TRADE Bank launched in April 2000, just three months after the acquisition of Telebank. New accounts are flowing to the Bank at a rapid pace, from the public and from the existing brokerage base.

But having a bank doesn't mean we'll follow the same bricks and mortar strategy of more traditional institutions. The key to future growth and customer convenience lies in efficiently bridging the "last mile," and E\*TRADE is closing that gap with a combination of wireless capabilities and physical locations that connect our customers to their money.

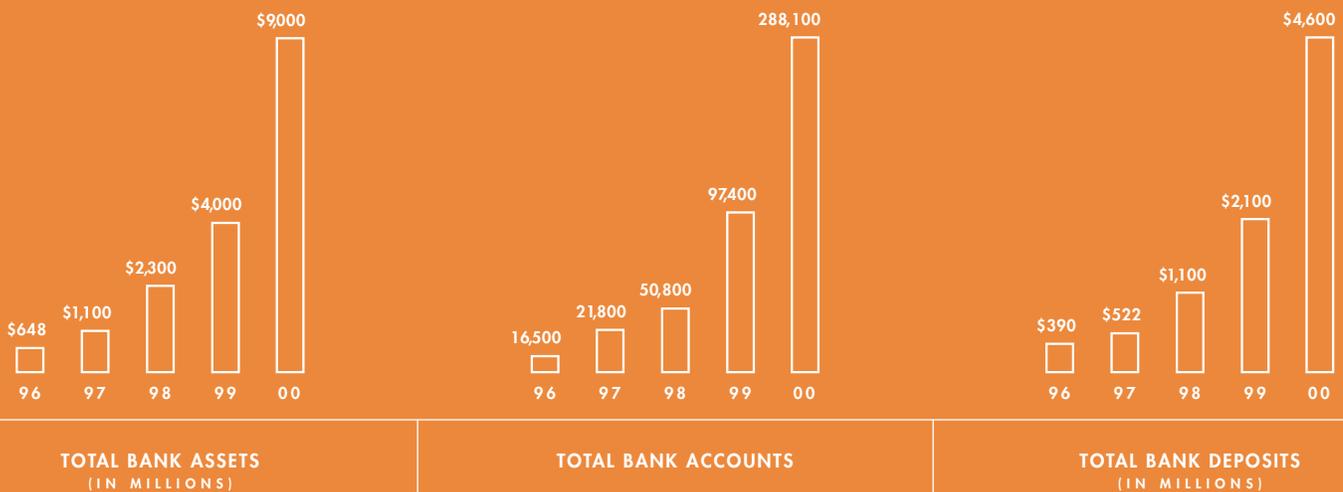


It's about being an industry leader by serving customer needs—present and future.

It's a "high-touch, high-tech," physical presence that will put E\*TRADE in front of consumers wherever they are.

Our acquisition of Card Capture Services' 9,600 ATMs is a powerful first step in this high-touch, high-tech strategy. These days, most people prefer to do their banking through ATMs. Now called E\*TRADE Access, our ATM network is up and running and we expect to capitalize on the projected growth of the rapidly growing online banking market.

**E\*TRADE VERSUS the World.** Our vision to empower people goes beyond the individual to institutions around the world. With our acquisition of VERSUS Technologies, we're creating an electronic trading platform for our institutional customers. We'll use our state-of-the-art software and technology expertise to enhance services to our more than 650 institutional customers worldwide. This platform will connect investors, institutions, investment dealers, exchanges and alternative liquidity pools to one another worldwide.



Leadership that spans the **globe.**

E\*TRADE now owns 100 percent of E\*TRADE Canada, which already has 40,000 customer accounts. Canada is a top growth market, ranking among the top four countries in the world in terms of Internet usage. Canadian institutional investors using the VERSUS Network represent over 75 percent of Canadian listed equities under management. Moreover, the proprietary network supports the equivalent of 13 percent of the average trading volume on the Toronto Stock Exchange.



Across borders. Around the clock. With Canada and eight other countries outside the U.S. now served by E\*TRADE branded sites, we're strengthening E\*TRADE's position as the only truly global brand franchise in the industry.

## MORE THAN 3 MILLION CUSTOMER ACCOUNTS

More and more people around the world can enjoy the freedom the E\*TRADE revolution is already delivering. And they'll be able to do it in the currency of their choice. In the fiscal year we crossed a major international milestone with the launch of the first link in our fully electronic global cross-border trading network. With this straight-through processing capability, we're able to offer Swedish and Norwegian investors and eventually the world over, the ability to tap into the U.S. equities markets while remaining in their home currency.

Cross-border trading. VERSUS Technology. Global branding. E\*TRADE Bank. ATMs. 24 x 7 access. E\*TRADE will continue to set the lead in global online financial services.

It's all about **brand.**



It's a brand customers trust. It's a brand that gives them what they want. And they reward us by making us the #1 global online brokerage company, according to Lafferty Research. Our customers choose us because our products and our brand resonate with their changing lifestyle. They stay and consolidate their business with us because of the value of the services that we offer. They are leading-edge consumers who are highly engaged and interested in their financial future, and have a keen interest in achieving superior returns.

According to Media Metrix, our branding efforts have made E\*TRADE the most visited online brokerage on the web every month for the past two years—longer than many of our competitors have even existed. Our reach, at 3.2 percent for the year, is more than double that of several of our competitors. And site stickiness, measured by minutes per month, continues to show E\*TRADE consistently ranked within the top three online brokerages.



It's not just our name, it's what we represent.

### It's Christos' Book.

Our commitment to our customers and our anticipation of their needs helps maintain our lead and keep us top-of-mind in online investing. Recognizing that most of the world hasn't yet joined the electronic revolution, Christos wrote *"It's Your Money: The E\*TRADE Step-by-Step Guide to Online Investing."* From the very basics of buying a computer to sophisticated trading techniques, it's designed to empower all consumers to take control of their finances and join this global revolution.

*"It's Your Money"* quickly became a national bestseller, reaching #3 on the Wall Street Journal's Bestseller List and #10 on BusinessWeek Magazine's

Bestseller List. And through Christos' generosity, it's reaching people who've never had access to the Internet. All proceeds from *"It's Your Money"* will be donated to a foundation Christos is establishing to help narrow the digital divide and create new educational opportunities.

That kind of vision powers all our relations with our customers. Beyond our 24 x 7 x 366 live agent customer support and enhanced online help services, we're committed to making every encounter with E\*TRADE a rewarding experience for both our customers and our associates.



TOTAL UNIQUE VISITORS  
(IN THOUSANDS)

Source: Media Metrix

A brand that **resonates** with consumers.

At E\*TRADE, it's all about Customers, Associates, and Time, or our CAT 9 principles. It all works because we know what it takes to make it work.

- **Service.** 24 x 7 x 366. With representatives and best-of-breed technology available whenever customers need them to answer any questions and serve every need.
- **Simplicity.** Make it easy to use. Effortless. Keep the entire process of managing customers' money as simple as it can be.
- **Savings.** Constantly search for ways to save clients' money and time. To make it all manageable and affordable.
- **Spirituality.** Encourage our associates to live the E\*TRADE way. Ensure that they're finding value in what they do and how they do it.
- **Sharing.** Knowledge. Ideas. Information. Constantly open avenues so associates can help customers improve the way they do business with E\*TRADE and with each other.
- **Shareowner value.** Keep in mind we're serving our shareowners. Give them value and a strong return on their investment.
- **Security.** Keep it safe. Keep it secure. We've been entrusted with people's money—guard it like it's your own.
- **Speed.** Move fast, very fast. Deliver what you say you will, faster than you said you would.
- **Scalability.** Constantly seek processes and procedures that can work for one customer or for 10 million customers.

Customer care. Product innovation. Market leadership. CAT 9. It all adds up to a brand that's a way of life. For our associates. Our shareowners. Our customers. Our partners and vendors. Now and into the future.

At E\*TRADE, we CARE about a lot of things. Our core values—Customer focus, Accountability, Responsibility and E\*nnovation—define what we do: CARE.

- **Customer focus.** We recognize there's a customer on the other side of every action we take, so we work hard to exceed their expectations. We've got to be active listeners, responding quickly, creatively and with their interests and needs in mind.
- **Accountability.** We operate in a global context, ready to adapt to emerging opportunities and answer all needs. We move fast, because in the new economy, that's the only speed that works. We move quickly and powerfully with one another to achieve our goals.
- **Responsibility.** We do what we say we'll do. A simple, but powerful promise.
- **E\*nnovation.** We constantly search for E\*nnovations that will solidify our place as an industry leader. We apply technology creatively to everything we do—from the products we offer to our internal operations. We are pioneers, innovators, and revolutionaries. Because those who dare—win.

## Directors and Shareowners

Christos M. Cotsakos  
Chairman of the Board and  
Chief Executive Officer  
E\*TRADE Group, Inc.

William A. Porter  
Chairman Emeritus

Peter Chernin  
President and  
Chief Operating Officer  
News Corporation,  
and President and  
Chief Operating Officer,  
The Fox Entertainment Group, Inc.

William E. Ford  
Partner  
General Atlantic Partners

David C. Hayden  
Founder and Chairman  
Critical Path

George Hayter  
International Business Consultant  
George Hayter Associates

Lewis E. Randall  
Private Investor

Ronald D. Fisher  
Vice Chairman  
SOFTBANK Holdings

Lester C. Thurow  
(Jerome and Dorothy Lemelson)  
Professor of Management and  
Economics, Sloan School  
Massachusetts Institute of Technology



AMY ERRETT

LEN PURKIS

MIKE SIEVERT

PAM KRAMER



TOM BEVILACQUA

TED THEOPHILOS

BRIGITTE VANBAELEN

## Officers and Shareowners

Judy Balint  
Chief International Officer

Thomas A. Bevilacqua  
Chief Strategic Investment Officer

Mitchell H. Caplan  
Chief Banking Officer

Connie M. Dotson  
Chief Service Quality Officer

Amy J. Errett  
Chief Asset Gathering Officer

Jerry D. Gramaglia  
President and  
Chief Operating Officer

Pamela Kramer  
Chief Content  
Development Officer

Joshua Levine  
Chief Technology Officer

R. Jarrett Lilien  
Chief Brokerage Officer

Dennis L. Lundien  
Chief Internal Audit and  
Privacy Officer

Leonard C. Purkis  
Chief Financial Officer

G. Michael Sievert  
Chief Sales and Marketing Officer

Theodore J. Theophilos  
Chief Legal Affairs Officer and  
Corporate Secretary

Charles W. Thomson  
Chief People and Culture Officer

Brigitte VanBaelen  
Chief Community Relations  
Officer and Assistant  
Corporate Secretary



MITCH CAPLAN

JERRY GRAMAGLIA



JUDY BALINT

DENNIS LUNDIEN

CONNIE DOTSON



JARRETT LILIEN

JOSH LEVINE

CHUCK THOMSON

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etrade.com

### Financial Information

Securities analysts, investors and representatives of financial institutions are invited to contact:

Erica Gessert  
Senior Manager, Investor Relations  
ir@etrade.com  
650-331-5397

To obtain our Corporate Report, Form 10-K or other publications without charge, visit our Web site or contact:

E\*TRADE Investor Relations  
corporatereport@etrade.com  
1-888-772-EGRP

### E\*TRADE Customer Service

service@etrade.com  
1-800-STOCKS5  
1-800-786-2575

### E\*TRADE Business Solutions

business@etrade.com  
1-800-783-3388

### Corporate Communications

Heather Fondo  
Director, Corporate  
Communications  
hfondo@etrade.com  
650-331-6000

### Wholly-Owned Subsidiaries

For a list of wholly-owned subsidiaries, please refer to our Form 10-K.

### Transfer Agent and Registrar

American Stock Transfer  
& Trust Company  
40 Wall Street, 46th Floor  
New York, NY 10005  
1-800-937-5449

### Independent Auditors

Deloitte & Touche LLP  
San Jose, California

### Annual Meeting

The Annual Meeting of the Shareowners will be held on Thursday, December 21, 2000, at the Hotel Sofitel 223 Twin Dolphin Dr. Redwood City, CA 94065  
For detailed information regarding the shareowners meeting, please visit [www.etrade.com/shareowners](http://www.etrade.com/shareowners)  
username: shareowner,  
password: etrade2000,  
or call 650-331-5397.

### Stock and Dividend Information

The Company's common stock trades on the Nasdaq National Market under the symbol EGRP. The Company's initial public offering was on August 16, 1996. In August 1997, the Company completed a secondary public offering. The high and low selling prices of the stock for the final quarter of fiscal 2000 are shown below. The prices do not include retail markups or commissions.

### Quarter Ended September 30, 2000

High \$19.75  
Low \$13.94

On November 6th, 2000, the closing sale price of the stock was \$14.69 per share and there were 2,118 shareowners of record. The Company estimates there are approximately 235,000 beneficial shareowners.

The Company's present policy is to retain its earnings, if any, for use in its business. No cash dividends have ever been declared or paid on the Company's common stock.

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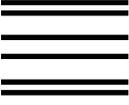
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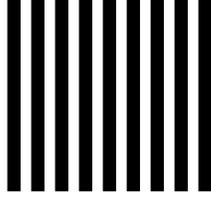


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# Express Application



- 1 Tear out, complete, and sign.
- 2 Include a check to fund your account (\$1,000 minimum), payable to E\*TRADE Securities, Inc.
- 3 Mail your application and check to E\*TRADE®, in the attached postage-paid envelope.

Please review the E\*TRADE® Customer Agreement online at [www.etrade.com](http://www.etrade.com) or contact us to receive by mail.

1-800-813-8908

SOURCE CODE: QP24596

## Account Type For all other account types, please go to our Web site at [www.etrade.com](http://www.etrade.com).

- Individual
- Joint (tenancy in common)  
If one of the joint owners dies, his or her interest passes to his or her estate.
- Joint (community property)  
For AZ, CA, ID, LA, NM, NV, TX, and WA only.
- Joint (rights of survivorship)  
If one of the joint owners dies, his or her interest passes to the surviving owner(s).

## Account Holder

Account Holder Name (if different from above)		
Address—cannot be P.O. box (if different from above)		Non-U.S. Citizens Passport or ID #:
City	State	ZIP/Postal Code/Country
Social Security Number		Country of Issuance:
Date of Birth		Country of Legal Residence <input type="checkbox"/> U.S. <input type="checkbox"/> Other:
Phone Number	E-mail Address Country of Citizenship <input type="checkbox"/> U.S. <input type="checkbox"/> Other:	

## Co-Account Holder

Co-Account Holder Name		Social Security Number
Non-U.S. Citizens Passport or ID #: Country of Issuance:		Date of Birth
Country of Legal Residence <input type="checkbox"/> U.S. <input type="checkbox"/> Other:	Country of Citizenship <input type="checkbox"/> U.S. <input type="checkbox"/> Other:	E-mail Address

## Account Information Profile

Employer (If unemployed, self-employed, a student, or a homemaker, please specify.)	Account Holder	Co-Account Holder
Business Address (city, state, and ZIP only)		
Occupation (If self-employed, please describe.)		
Is your employer a registered broker-dealer?	<input type="checkbox"/> No <input type="checkbox"/> Yes If yes, include compliance letter.	<input type="checkbox"/> No <input type="checkbox"/> Yes If yes, include compliance letter.
Are you a director, 10% shareholder, or policymaker of a publicly owned company? If yes, specify company.	<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/> No <input type="checkbox"/> Yes

## Choose a Money Market Fund for Your Cash Balance

The cash balance in your account earns interest daily and is credited monthly. Tell us into which money market fund you would like us to deposit your cash. We will send you a prospectus for the fund you choose. Non-U.S. citizens are eligible only for the Credit Interest Program. Once your account is open, you can change your money market fund at any time. For current yield and fund descriptions, go to [www.etrade.com/rates](http://www.etrade.com/rates). Note: If you do not check a box, your uninvested cash will earn Credit Interest.

- Government Securities Portfolio
- Tax-Exempt Portfolio
- Money Market Portfolio
- Credit Interest (not available in WI)

E\*TRADE® completes:

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E\*TRADE® account number

Please Send Me Necessary Forms For:

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Or download forms from our Web site at [www.etrade.com](http://www.etrade.com).

## Choose How You Want Your Documents Delivered

You may choose to have your trade confirmations and monthly statements delivered to you either electronically or by U.S. mail. With electronic delivery, you will be able to access all your trade confirmations, statements, and cleared checks at a given URL at any time.

Type of document	How do you wish to receive them?
Trade Confirmations	<input type="checkbox"/> By U.S. mail <input type="checkbox"/> Electronically
Monthly Statements (includes cleared checks, if applicable)	<input type="checkbox"/> By U.S. mail <input type="checkbox"/> Electronically

If you chose electronic delivery, tell us where you want us to send the e-mail notification when a new document is available:

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(Please use this format: [jsmith@etrade.com](mailto:jsmith@etrade.com))

I understand that by checking the box above indicating electronic delivery, I consent to electronic delivery of trade confirmations and/or account statements through notification by e-mail to my stated e-mail address of record when such documents are posted to the E\*TRADE Web site. The e-mail notifications will contain a link to the particular document being delivered. I understand that my consent to electronic delivery is effective immediately and will remain in effect unless and until either I or E\*TRADE revokes it. I understand that I will not be charged any additional cost for such service by E\*TRADE, but that I may incur potential associated costs from Internet service providers and telephone companies. I understand that a more detailed explanation of E\*TRADE's electronic delivery process is contained in the E\*TRADE Consent to Electronic Delivery of Trade Confirmations and Account Statements document at [www.etrade.com](http://www.etrade.com).

## Please Sign to Apply for Your E\*TRADE® Account

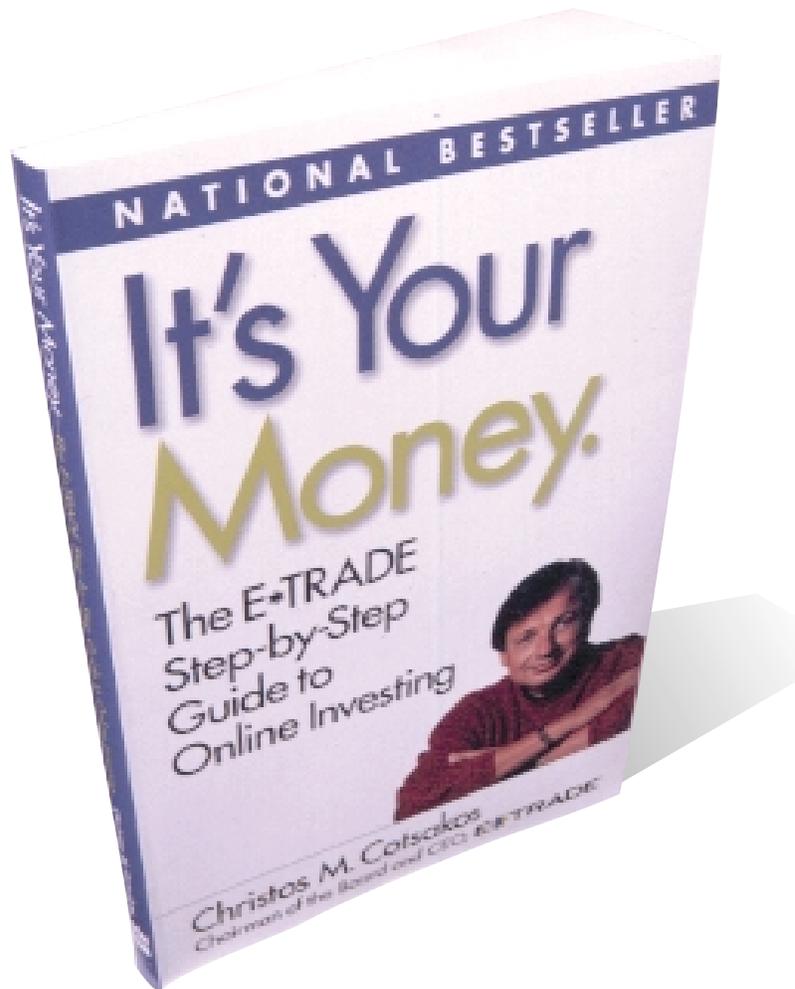
I hereby request E\*TRADE Securities, Inc., to open a Cash account in the name(s) set forth below. I am of legal age to contract. I acknowledge that I have received, read, and agree to be bound by the terms and conditions as currently set forth in the E\*TRADE Customer Agreement [which is available online at [www.etrade.com](http://www.etrade.com) or contact us to receive by mail] and as amended from time to time. I ACKNOWLEDGE THAT E\*TRADE DOES NOT PROVIDE INVESTMENT, TAX, OR LEGAL ADVICE OR RECOMMENDATIONS. Under penalty of perjury, I certify (1) that my Social Security (or taxpayer ID) number shown on this form is my correct number, and (2) that I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding, or (c) I have been notified by the IRS that I am no longer subject to backup withholding [cross out item 2 if it does not apply to you]. [The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.] I understand that you will supply my name to issuers of any securities held in my account so that I might receive any important information regarding them, unless I notify you in writing not to do so. I UNDERSTAND THAT THIS ACCOUNT IS GOVERNED BY A PREDISPUTE ARBITRATION CLAUSE, WHICH IS ON PAGE 7, PARAGRAPH 31b, OF THE E\*TRADE CUSTOMER AGREEMENT, WHICH I WILL RECEIVE FROM E\*TRADE UPON ACCOUNT ACTIVATION.

Account Holder Signature	Date
Co-Account Holder Signature	Date
E*TRADE® Completes: Principal Sign-off	Date

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## It's Your Money.

A long-time proponent of investor education and technology, Christos M. Cotsakos, chairman of the board and chief executive officer of E\*TRADE Group, Inc., has written a national bestseller that is specifically designed to help individuals get online and capitalize on the incredible benefits of the wired world. In fact, all of the proceeds from “*It's Your Money*” will be donated to a foundation Christos is establishing to help narrow the digital divide. The foundation’s mission is to create new educational opportunities and broaden access to technology. “*It's Your Money*” provides a straightforward guide that helps readers use technology to take control of their financial futures.

