

FOR IMMEDIATE RELEASE

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E*TRADE GROUP, INC. REPORTS 364 PERCENT GROWTH IN EARNINGS PER SHARE FROM ONGOING OPERATIONS AND 13 PERCENT GROWTH IN REVENUE YEAR OVER YEAR

- *Earns \$0.12 Per Share from Ongoing Operations*
- *Delivers \$16 Million Cash Flow Positive Quarter*
- *Confirms Fourth Quarter Street Consensus of \$0.14 Earnings Per Share from Ongoing Operations*

MENLO PARK, Calif., Oct. 16, 2002 – E*TRADE Group, Inc. (NYSE: ET) today announced results for its quarter ended September 30, 2002, reporting net income from ongoing operations of \$43 million, or \$0.12 per share, compared to \$9 million, or \$0.03 per share, in the same quarter a year ago. The Company reported net revenue for its quarter ended September 30, 2002 of \$330 million, compared to \$292 million for the same period a year ago. In addition, the Company is confirming street consensus of \$0.14 earnings per share from ongoing operations for the fourth quarter.

The Company also reported net income before extraordinary gains on the early extinguishment of debt and the cumulative effect of accounting change for the third quarter of \$21 million or \$0.06 per share on a fully diluted basis, compared to a loss of \$259 million or \$(0.77) per share for the same period a year ago. Net income after extraordinary items was \$21 million or \$0.06 per share compared to a net loss of \$244 million, or \$(0.72) per share for the same period a year ago.

“We are proud to report our ninth consecutive quarter of ongoing profitability in the worst quarter for the financial services industry since the crash of the equity markets in 1987,” said Christos M. Cotsakos, Chairman of the Board and Chief Executive Officer, E*TRADE Group, Inc. “Earning \$0.12 cents per share from ongoing operations and \$0.06 per share on a GAAP basis is a direct result of our ability to successfully grow our diversified revenue streams, execute on efficiency initiatives and achieve profitable growth across every business unit.”

E*TRADE Group, Inc. reported progress in the third quarter in a number of key financial areas:

- E*TRADE Mortgage significantly contributed to revenue by generating more than \$1.6 billion in new mortgages during the third quarter, bringing the total origination volume for the year to \$4 billion;
- The Company also experienced similar growth in the correspondent side of its mortgage business producing more than \$1.2 billion during the third quarter;
- E*TRADE Securities retail business break-even point was reduced by an additional 7 percent to 65,000 transactions per day;
- Interest rate spread at E*TRADE Bank increased to 152 basis points, an 8 point increase over last quarter and a 47 point increase over the same quarter last year;
- The Company ended the quarter \$16 million cash flow positive, prior to \$28 million in share repurchases and prior to raising \$18 million in equipment financing; and
- The Company repurchased 7.5 million shares, bringing the Company's total shares repurchased to 48 million with 9 million shares still available for purchase.

“Our lending and banking business continue to experience substantial growth highlighting the value of our diversified business model,” continued Cotsakos. “We have the scale, infrastructure and products in place to profit in economically challenging times. Although it is impossible to predict the future of the U.S. and global economies in this environment of geopolitical uncertainty and how they will affect our growth, we are solidly positioned for improved profitability and long-term success once the equity markets return and the economy stabilizes.”

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

- Introducing a simplified \$9.99 flat commission rate program for active customers, resulting in a 6 percent increase in both activity and accounts in this segment;
- Enhancing its Mutual Fund Center to include new content, powerful fund search tools, fund report cards, news and other financial information through its agreement with Standard & Poor's;
- Implementing key enhancements to the Business Solutions Group's Equity Edge and OptionsLink offerings to assist corporate clients in complying with Sarbanes-Oxley Act reporting requirements;
- Being ranked for the first time in the top 15 correspondent producers and top 15 jumbo producers by Inside Mortgage Finance, based on the Company's significant mortgage origination for the first half of 2002;
- Achieving recognition as #18 in the *InformationWeek* 500¹, a prestigious listing of the 500 largest and most innovative users of information technology, and as “Best in Web 2002” for the 'Discount Brokers Category' by *Institutional Investor*²; and
- Sponsoring the Rolling Stones World Tour, designed to drive revenue, increase brand awareness and build relationships with customers across all business units.

Results from ongoing operations exclude amortization of goodwill and other intangibles, 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, executive agreement, facility restructuring and other nonrecurring charges, extraordinary items and the cumulative effect of accounting change.

Financial Results

Reconciliation of reported results to results from ongoing operations

\$ in millions (except per share amounts)	Qtr ended 9/30/2002	Qtr ended 6/30/2002	Qtr ended 9/30/2001
Income (loss) as reported:			
Pre-tax	\$39.0	\$59.9	\$(278.2)
After-tax, before extraordinary items	20.7	33.7	(259.0)
EPS, before extraordinary items on a diluted basis	0.06	0.09	(0.77)
<i>Pre-tax amounts, excluded from ongoing operations</i>			
Amortization of goodwill and other intangibles	6.9	7.6	11.4
Merger related expenses	1.4	7.4	5.4
Facility restructuring and other nonrecurring charges	2.7	1.6	227.2
Executive agreement	--	(23.5)	--
Loss on investments	9.7	6.8	32.5
Unrealized loss on venture funds	4.4	3.3	13.5
Fair value adjustments of financial derivatives	6.5	(0.8)	3.3
Income from ongoing operations:			
Pre-tax	70.6	62.4	15.2
After-tax and minority interest	43.0	38.8	9.3
EPS from ongoing operations on a diluted basis	\$0.12	\$0.11	\$0.03

Key Performance Metrics

	<i>Q ended 9/30/02</i>	<i>Q ended 9/30/01</i>	<i>Q ended 9/30/02 vs. Q ended 9/30/01</i>	<i>Q ended 6/30/02</i>	<i>Q ended 9/30/02 vs. Q ended 6/30/02</i>
<i>Active global brokerage accounts</i>	3,659,628	3,458,268	6 %	3,648,234	- %
<i>Active banking accounts</i>	510,699	436,429	17 %	503,830	1 %
Total active accounts end of period	4,170,327	3,894,697	7 %	4,152,064	- %
Net new accounts	18,263	66,087	(72)%	34,694	(47)%
Acquisition marketing costs (\$MM)	\$ 10.4	\$ 19.1	(45)%	\$ 17.2	(39)%
Cost per net new account	\$ 572	\$ 289	98 %	\$ 496	15 %
Total customer households end of period	3,091,553	2,902,598	7 %	3,063,534	1 %
Net new households	28,019	75,760	(63)%	(21,487)	230 %
Average assets per household	\$ 13,335	\$ 15,251	(13)%	\$ 15,129	(12)%
<i>Total assets in investing accounts (\$B)</i>	\$ 33.0	\$ 36.3	(9)%	\$ 38.0	(13)%
<i>Total deposits in banking accounts (\$B)</i>	\$ 8.2	\$ 8.0	3 %	\$ 8.3	(1)%
Total assets / deposits in customer accounts (\$B)	\$ 41.2	\$ 44.3	(7)%	\$ 46.3	(11)%
Total inflow into customer accounts (\$B)	\$ 3.5	\$ 3.5	1 %	\$ 3.7	(5)%
Daily average inflow (\$MM)	\$ 55.2	\$ 55.5	(1)%	\$ 57.9	(5)%
Total bank assets (\$B)	\$ 13.9	\$ 13.1	6 %	\$ 14.6	(5)%
Total global brokerage transactions (MM) *	5.1	5.3	(5)%	5.3	(4)%
Daily average global brokerage transactions *	79,274	90,656	(13)%	82,790	(4)%
Commissions per global brokerage transaction *	\$ 12.49	\$ 13.28	(6)%	\$ 13.14	(5)%
Rebates per global brokerage transaction *	\$ 0.62	\$ 1.72	(64)%	\$ 0.86	(28)%
Total shares traded in professional trading (MM)	2,783.0	N.A.	N.A.	1,141.0	144 %
Daily average shares traded in professional trading (MM)	43.5	N.A.	N.A.	57.1	(24)%
Commission per share traded in professional trading	\$ 0.003	N.A.	N.A.	\$ 0.003	12 %
<i>Interest income - brokerage (\$MM)</i>	\$ 42.7	\$ 71.0	(40)%	\$ 51.0	(16)%
<i>Interest income - bank (\$MM)</i>	\$ 187.3	\$ 213.9	(12)%	\$ 191.4	(2)%
Total interest income (\$MM)	\$ 230.0	\$ 284.9	(19)%	\$ 242.4	(5)%
<i>Interest expense - brokerage (\$MM)</i>	\$ 2.7	\$ 16.6	(84)%	\$ 3.1	(13)%
<i>Interest expense - bank (\$MM)</i>	\$ 132.2	\$ 172.6	(23)%	\$ 137.9	(4)%
Total interest expense (\$MM)	\$ 134.8	\$ 189.2	(29)%	\$ 140.9	(4)%

	<i>Q ended 9/30/02</i>	<i>Q ended 9/30/01</i>	<i>Q ended 9/30/02 vs. Q ended 9/30/01</i>	<i>Q ended 6/30/02</i>	<i>Q ended 9/30/02 vs. Q ended 6/30/02</i>
(Key Performance Metrics Continued)					
Average margin debt (\$B)	\$ 1.1	\$ 1.9	(43)%	\$ 1.4	(25)%
Bank interest rate spread (basis points)	152	105	45 %	144	6 %
Commission revenue (as a % of total net revenue)	22%	24%	(2)%	23%	(1)%
Principal transactions (as a % of total net revenue)	16%	12%	4 %	16%	- %
Net brokerage interest income (as a % of total net revenue)	12%	19%	(7)%	15%	(3)%
Other brokerage revenue (as a % of total net revenue)	14%	12%	2 %	14%	- %
Total brokerage net revenue (as a % of total net revenue)	64%	67%	(3)%	68%	(4)%
Gain on sales of originated loans (as a % of total net revenue)	9%	10%	(1)%	7%	2 %
Gain on sale of loans held-for-sale and other securities - net (as a % of total net revenue)	8%	6%	2 %	5%	3 %
Net banking interest income (as a % of total net revenue)	17%	14%	3 %	17%	- %
Other banking revenue (as a % of total net revenue)	2%	3%	(1)%	3%	(1)%
Total banking net revenue (as a % of total net revenue)	36%	33%	3 %	32%	4 %
<i>* Excludes transactions related to professional trading (Tradescape)</i>					

Bank Asset Portfolio Details

(\$ in MM)	Q ended 9/30/02	Q ended 6/30/02	Q ended 9/30/02 vs. Q ended 6/30/02
Cash & equivalents	\$1,194	\$500	139%
Trading securities	325	270	20%
Investment securities, available-for-sale	732	771	(5)%
Mortgage securities, available-for-sale	3,638	4,754	(23)%
Loans receivable, net including loans held-for-sale			
<i>Mortgage loans, net</i>	5,605	5,655	(1)%
<i>Consumer – auto, net</i>	1,857	2,105	(12)%
<i>Other</i>	1	5	(80)%
Other assets	541	568	(5)%
Total assets	\$13,893	\$14,628	(5)%

Non-accrual Loans

(\$ in MM)	Q ended 9/30/02	Q ended 6/30/02	Q ended 9/30/02 vs. Q ended 6/30/02
Loans accounted for on a non-accrual basis:			
Real estate loans:			
<i>One-to-four family</i>	\$19.5	\$21.8	(11)%
<i>Commercial</i>	-	-	-
Autos	1.4	1.8	(22)%
Total non-performing loans, net	20.9	23.6	(11)%
Total REO and other repossessed assets	4.3	3.7	16%
Total non-performing assets, net	\$25.2	\$27.3	(8)%
Total non-performing assets, net, as a % of total banking assets	0.18%	0.19%	(5)%
Total loan loss allowance as a % of total non-performing loans, net	75%	66%	14%

Bank Average Balance Data

	Three Months Ended September 30, 2002			Three Months Ended September 30, 2001		
	Average Balance	Interest Income/ Expense	Average Annualized Yield/ Cost	Average Balance	Interest Income/ Expense	Average Annualized Yield/ Cost
Interest-earning banking assets:						
Loans receivable, net.....	\$ 7,711,039	\$ 119,318	6.19%	\$ 6,670,748	\$ 121,376	7.28%
Interest-bearing deposits	181,613	1,128	2.46%	257,257	1,751	2.70%
Mortgage-backed and related available- for-sale securities	4,624,427	54,499	4.71%	4,066,334	67,570	6.65%
Available-for-sale investment securities .	706,034	8,272	4.75%	1,316,166	21,963	6.71%
Investment in FHLB stock	80,482	1,332	6.56%	57,503	868	5.98%
Trading securities	333,037	2,737	3.29%	75,347	398	2.11%
Total interest-earning banking assets	13,636,632	\$187,286	5.50%	12,443,355	\$ 213,926	6.88%
Non-interest earning banking assets.....	645,607			578,519		
Total banking assets.....	\$14,282,239			\$13,021,874		
Interest-bearing banking liabilities:						
Retail deposits.....	\$7,917,438	\$79,101	3.96%	\$7,786,062	\$ 110,007	5.65%
Brokered callable certificates of deposit.	305,232	2,187	2.84%	-	-	-
FHLB advances	853,607	13,830	6.34%	1,007,648	16,119	6.26%
Other borrowings.....	4,092,579	37,037	3.54%	2,953,331	46,454	6.15%
Total interest-bearing banking liabilities	13,168,856	\$132,155	3.98%	11,747,041	\$ 172,580	5.83%
Non-interest bearing banking liabilities.....	319,387			511,087		
Total banking liabilities.....	13,488,243			12,258,128		
Total banking shareowner's equity.....	793,996			763,746		
Total banking liabilities and shareowner's equity	\$14,282,239			\$13,021,874		
Excess of interest-earning banking assets over interest-bearing banking liabilities/net interest income.....	\$467,776	\$55,131		\$696,314	\$ 41,346	
Net interest spread			1.52%			1.05%

New Revenue Format for 2002

(\$ in thousands)	Q Ending 9/30/2002	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
Brokerage Revenues:						
Commissions	\$71,784	\$71,352	\$82,527	\$90,694	\$71,012	\$100,173
Principal transactions	52,438	52,092	55,315	61,615	33,721	31,441
Other brokerage related	45,113	43,799	36,761	28,633	35,447	43,650
Brokerage interest income	42,742	50,975	53,051	53,098	71,020	80,718
Brokerage interest expense	(2,681)	(3,089)	(3,893)	(4,473)	(16,616)	(26,665)
Net brokerage revenues	209,396	215,129	223,761	229,567	194,584	229,317
Banking Revenues						
Gain on sales of originated loans	30,749	22,613	24,675	33,277	28,146	24,871
Gain on loans held for sale and other securities - net	27,652	17,054	21,622	30,783	17,629	8,314
Other banking related revenues	10,853	12,077	10,384	10,641	10,455	9,047
Banking interest income	187,286	191,424	202,668	205,882	213,926	217,797
Banking interest expense	(132,155)	(137,852)	(148,851)	(160,329)	(172,580)	(179,511)
Provision for loan losses	(4,176)	(4,383)	(3,382)	(4,377)	-	(1,656)
Net banking revenues	120,209	100,933	107,116	115,877	97,576	78,862
Total net revenues	\$329,605	\$316,062	\$330,877	\$345,444	\$292,160	\$308,179

New Revenue Line Item Classifications for 2002

Commissions – Commissions include domestic transaction revenues and international transaction revenues. In addition, commissions include onsite professional trading revenues beginning in June 2002. 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, professional trading rebate revenue, 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 and 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

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¹ *InformationWeek*, September 2002

² *Institutional Investor*, June 2002

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

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Brokerage revenues				
Commissions.....	\$ 71,784	\$ 71,012	\$ 225,663	\$ 287,010
Principal transactions.....	52,438	33,721	159,845	96,334
Other brokerage related.....	45,113	35,447	125,673	128,057
Brokerage interest income.....	42,742	71,020	146,768	252,483
Brokerage interest expense.....	(2,681)	(16,616)	(9,663)	(82,016)
Net brokerage revenue.....	<u>209,396</u>	<u>194,584</u>	<u>648,286</u>	<u>681,868</u>
Banking revenues				
Gain on sales of originated loans.....	30,749	28,146	78,037	62,201
Gain on loans held-for-sale and other securities - net.....	27,652	17,629	66,328	45,053
Other banking related revenues.....	10,853	10,455	33,314	27,946
Banking interest income.....	187,286	213,926	581,378	648,408
Banking interest expense.....	(132,155)	(172,580)	(418,858)	(532,457)
Provision for loan losses.....	(4,176)	-	(11,941)	(3,099)
Net banking revenue.....	<u>120,209</u>	<u>97,576</u>	<u>328,258</u>	<u>248,052</u>
Total net revenue.....	<u>329,605</u>	<u>292,160</u>	<u>976,544</u>	<u>929,920</u>
Cost of services.....	<u>145,521</u>	<u>140,519</u>	<u>420,068</u>	<u>433,412</u>
Operating expenses:				
Selling and marketing.....	39,986	50,268	157,964	199,365
Technology development.....	13,528	20,882	43,075	66,583
General and administrative.....	52,170	55,250	157,031	177,398
Amortization of goodwill and other intangibles.....	6,891	11,421	21,172	28,442
Merger related expenses.....	1,429	5,387	10,095	5,904
Facility restructuring and other nonrecurring charges.....	2,693	227,249	4,098	227,249
Executive agreement.....	-	-	(23,485)	-
Total operating expenses.....	<u>116,697</u>	<u>370,457</u>	<u>369,950</u>	<u>704,941</u>
Total cost of services and operating expenses.....	<u>262,218</u>	<u>510,976</u>	<u>790,018</u>	<u>1,138,353</u>
Operating income (loss).....	<u>67,387</u>	<u>(218,816)</u>	<u>186,526</u>	<u>(208,433)</u>
Non-operating income (expense)				
Corporate interest income.....	2,791	6,757	9,940	17,755
Corporate interest expense.....	(11,827)	(15,297)	(36,026)	(39,284)
Loss on investments.....	(9,722)	(32,465)	(14,819)	(48,038)
Equity in income (losses) of investments.....	1,517	(1,079)	5,418	(6,231)
Unrealized loss on venture funds.....	(4,398)	(13,506)	(9,462)	(34,075)
Fair value adjustments of financial derivatives.....	(6,501)	(3,327)	(6,723)	(4,703)
Other.....	(252)	(422)	(1,611)	(830)
Total non-operating expense.....	<u>(28,392)</u>	<u>(59,339)</u>	<u>(53,283)</u>	<u>(115,406)</u>
Pre-tax income (loss).....	<u>38,995</u>	<u>(278,155)</u>	<u>133,243</u>	<u>(323,839)</u>
Income tax expense (benefit).....	<u>17,543</u>	<u>(19,471)</u>	<u>58,370</u>	<u>(45,368)</u>
Minority interest in subsidiaries.....	<u>774</u>	<u>299</u>	<u>1,147</u>	<u>(16)</u>
Income (loss) before cumulative effect of accounting change and extraordinary items.....	<u>20,678</u>	<u>(258,983)</u>	<u>73,726</u>	<u>(278,455)</u>
Cumulative effect of accounting change.....	-	-	(299,413)	-
Extraordinary gain on early extinguishment of debt, net of tax.....	-	15,246	3,174	15,320
Net income (loss).....	<u>\$ 20,678</u>	<u>\$ (243,737)</u>	<u>\$ (222,513)</u>	<u>\$ (263,135)</u>
Income (loss) per share before cumulative effect of accounting change and extraordinary items:				
Basic.....	<u>\$ 0.06</u>	<u>\$ (0.77)</u>	<u>\$ 0.21</u>	<u>\$ (0.86)</u>
Diluted.....	<u>\$ 0.06</u>	<u>\$ (0.77)</u>	<u>\$ 0.20</u>	<u>\$ (0.86)</u>
Net income (loss) per share:				
Basic.....	<u>\$ 0.06</u>	<u>\$ (0.72)</u>	<u>\$ (0.63)</u>	<u>\$ (0.81)</u>
Diluted.....	<u>\$ 0.06</u>	<u>\$ (0.72)</u>	<u>\$ (0.63)</u>	<u>\$ (0.81)</u>
Shares used in computation of per share data:				
Basic.....	359,640	336,469	354,535	323,833
Diluted.....	363,380	336,469	360,905	323,833

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

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended	
	September 30, 2002	June 30, 2002
Brokerage revenues:		
Commissions.....	\$ 71,784	\$ 71,352
Principal transactions.....	52,438	52,092
Other brokerage related.....	45,113	43,799
Brokerage interest income.....	42,742	50,975
Brokerage interest expense.....	(2,681)	(3,089)
Net brokerage revenue.....	209,396	215,129
Banking revenues:		
Gain on sales of originated loans.....	30,749	22,613
Gain on loans held-for-sale and other securities - net.....	27,652	17,054
Other banking related revenues.....	10,853	12,077
Banking interest income.....	187,286	191,424
Banking interest expense.....	(132,155)	(137,852)
Provision for loan losses.....	(4,176)	(4,383)
Net banking revenue.....	120,209	100,933
Total net revenue.....	329,605	316,062
Cost of services.....	145,521	133,795
Operating expenses:		
Selling and marketing.....	39,986	49,014
Technology development.....	13,528	15,043
General and administrative.....	52,170	50,832
Amortization of goodwill and other intangibles.....	6,891	7,557
Merger related expenses.....	1,429	7,406
Facility restructuring and other nonrecurring charges.....	2,693	1,628
Executive agreement.....	-	(23,485)
Total operating expenses.....	116,697	107,995
Total cost of services and operating expenses.....	262,218	241,790
Operating income.....	67,387	74,272
Non-operating income (expense):		
Corporate interest income.....	2,791	3,569
Corporate interest expense.....	(11,827)	(11,803)
Loss on investments.....	(9,722)	(6,790)
Equity in income of investments.....	1,517	3,617
Unrealized loss on venture funds.....	(4,398)	(3,283)
Fair value adjustments of financial derivatives.....	(6,501)	769
Other.....	(252)	(405)
Total non-operating expense.....	(28,392)	(14,326)
Pre-tax income.....	38,995	59,946
Income tax expense.....	17,543	26,076
Minority interest in subsidiaries.....	774	180
Income before extraordinary items.....	20,678	33,690
Extraordinary loss on early extinguishment of debt, net of tax.....	-	(900)
Net income.....	\$ 20,678	\$ 32,790
Income per share before extraordinary items:		
Basic.....	\$ 0.06	\$ 0.09
Diluted.....	\$ 0.06	\$ 0.09
Net income per share:		
Basic.....	\$ 0.06	\$ 0.09
Diluted.....	\$ 0.06	\$ 0.09
Shares used in computation of per share data:		
Basic.....	359,640	356,760
Diluted.....	363,380	362,498

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

(in thousands)

	September 30, 2002	June 30, 2002	December 31, 2001
ASSETS			
Cash and equivalents.....	\$ 1,757,188	\$ 1,015,953	\$ 836,201
Cash and investments required to be segregated under Federal or other regulations.....	924,276	730,819	764,729
Brokerage receivables - net.....	1,837,865	1,888,055	2,139,153
Mortgage-backed securities.....	3,638,346	4,754,234	3,556,619
Loans receivable - net.....	4,240,018	7,222,742	6,394,368
Loans held-for-sale.....	3,222,208	542,468	1,616,089
Investments.....	1,219,800	1,188,728	1,168,623
Property and equipment - net.....	382,838	399,011	331,724
Goodwill.....	338,598	333,090	559,918
Other intangible assets.....	153,475	160,853	129,927
Other assets.....	536,344	590,964	675,063
Total assets.....	<u>\$ 18,250,956</u>	<u>\$ 18,826,917</u>	<u>\$ 18,172,414</u>
LIABILITIES AND SHAREOWNERS' EQUITY			
Liabilities:			
Brokerage payables.....	\$ 2,692,211	\$ 2,479,769	\$ 2,699,984
Banking deposits.....	8,245,161	8,334,718	8,082,859
Borrowings by bank subsidiary.....	4,415,621	5,103,858	4,170,440
Accounts payable, accrued and other liabilities.....	643,524	620,409	818,464
Convertible subordinated notes.....	695,330	695,330	760,250
Total liabilities.....	<u>16,691,847</u>	<u>17,234,084</u>	<u>16,531,997</u>
Mandatorily redeemable preferred securities.....	<u>93,859</u>	<u>93,789</u>	<u>69,503</u>
Shareowners' equity:			
Preferred stock, shares authorized: 1,000,000; issued and outstanding: none at September 30, 2002 and December 31, 2001.....	-	-	-
Shares exchangeable into common stock, \$.01 par value, shares authorized: 10,644,223; issued and outstanding: 1,650,383 at September 30, 2002 and 1,825,632 at December 31, 2001.....	17	17	18
Common stock, \$.01 par value, shares authorized: 600,000,000 issued and outstanding: 361,381,726 at September 30, 2002 and 347,592,480 at December 31, 2001.....	3,614	3,684	3,476
Additional paid-in-capital.....	2,210,182	2,236,514	2,072,701
Shareowners' notes receivable.....	(30,402)	(30,402)	(32,707)
Deferred compensation.....	(21,060)	(23,485)	(28,110)
Accumulated deficit.....	(469,600)	(490,278)	(247,087)
Accumulated other comprehensive loss.....	(227,501)	(197,006)	(197,377)
Total shareowners' equity.....	<u>1,465,250</u>	<u>1,499,044</u>	<u>1,570,914</u>
Total liabilities and shareowners' equity.....	<u>\$ 18,250,956</u>	<u>\$ 18,826,917</u>	<u>\$ 18,172,414</u>