



E*TRADE FINANCIAL LETS CONSUMERS MANAGE DEBT WHILE MAXIMIZING INDUSTRY REWARDS PROGRAMS

New credit program aimed at airline mileage junkies; Features industry's first automated balance transfer functionality

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New York, NY, December 6, 2005 - E*TRADE FINANCIAL Corporation (NYSE: ET) today launched the E*TRADE Mileage Maximizer Account featuring a proprietary, automated credit card balance transfer system¹ that enables customers who are loyal to their branded airline mileage rewards credit cards to enjoy mileage earning benefits without paying high interest rates on the balances they carry. With this new account, customers use an intelligent, easy-to-use system to arrange a systematic balance transfer from their high interest credit cards to a low interest credit account at E*TRADE. The E*TRADE Mileage Maximizer Account continues the Company's deployment of customer advocacy tools and programs designed to provide customers with the opportunity to optimize their financial portfolios, ensuring effective use of their cash and credit.

"Consumers are seeking practical ways to manage their personal finances, including better alternatives to managing their credit card debt," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "As part of our integrated approach to personal finance management, the E*TRADE Mileage Maximizer Account offers consumers the ability to manage debt in a more effective, intelligent manner without interfering with their ability to earn rewards with other credit cards."

E*TRADE FINANCIAL is leveraging its dynamic money movement technology to assist customers in effectively managing their credit card debt. Through a simple online process the customer manages directly, they can designate automated monthly balance transfers from their airline rewards credit cards to a lower-rate E*TRADE account, swapping a higher interest rate - on average 16.99 percent APR² - for a lower balance transfer rate of 8.9 percent APR with no annual fee or balance transfer fee.

The online set-up process provides customers with the opportunity to set their payment preference -- pay off the entire balance, a pre-set amount, or a percentage of the new statement balance. Once enrolled, E*TRADE's proprietary balance transfer system monitors the customer's airline rewards card balance on a daily basis to determine the payment due date. When the system learns of a new payment due date, it schedules a transfer and sends the customer an electronic notification of the planned transfer. Customers may edit or cancel a particular transfer up until the date it is completed. Once the transfer is complete, the system sends the customer an electronic confirmation. Even though a customer's credit card balance and payment due date may change from month to month, the E*TRADE Mileage Maximizer Account's balance transfer system can be set to automatically ensure accurate, timely payments.

With an annual percentage rate of prime plus 1.9 percent on balance transfers, the E*TRADE Mileage Maximizer Account offers an easy and convenient way for consumers to more efficiently manage their credit card debt. Consumers interested in applying for or reviewing the program details of the E*TRADE Mileage Maximizer Account should visit www.etrade.com/maximizer.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing, banking and lending for retail and institutional customers. Securities products and services are offered by E*TRADE Securities LLC (Member NASD/SIPC). Bank and lending products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries.

*1. Customers can initiate Balance Transfers to their E*TRADE Mileage Maximizer Account individually as one-time transfers (one-time transfer has a minimum of \$100) or they may request that transfers occur on a recurring basis by using E*TRADE's Automatic Balance Transfer System.*

2. APRs and savings claim based on competitor rate comparisons as of November 15, 2005.

Important Notice

E*TRADE FINANCIAL and the E*TRADE FINANCIAL logo are registered trademarks or trademarks of E*TRADE FINANCIAL Corporation. The statements contained in this news release that are forward-looking are based on current expectations that

are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include, but are not limited to, changes in market activity, anticipated increases in the rate of new customer acquisition, the conversion of new visitors to the site to customers, the activity of customers and assets held at the institution, seasonality, the development and enhancement of products and services, competitive pressures (including price competition), system failures, economic and political conditions, changes in consumer behavior and the introduction of competing products having technological and/or other advantages. Further information about these risks and uncertainties can be found in the information included in the annual reports previously filed by E*TRADE Group, Inc. or E*TRADE FINANCIAL Corporation with the SEC on Form 10-K (including information under the caption "Risk Factors") and quarterly reports on Form 10-Q.

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