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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY BUSINESS METRICS FOR APRIL 2005

- *Retail DARTs decreased 6.7 percent from March, Professional DARTs decreased 13.3 percent and Total DARTs decreased 8.9 percent*
- *Average margin debt balances decreased 0.2 percent, or by \$5 million, to \$2.25 billion*
- *Total retail assets and deposits in customer accounts decreased 5.1 percent to \$90 billion*
- *Gross new accounts totaled 70,256*
- *Management affirmed 2005 GAAP earnings guidance of \$0.93 to \$1.08 per share*

New York, May 16, 2005 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for April. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 79,300 and Professional DARTs of 35,900 for Total DARTs of 115,200. Average margin debt balances and month-end margin debt balances decreased 0.2 percent and 0.8 percent, respectively, to \$2.25 billion. The Company added total gross new accounts of 70,256 and generated net new account growth of 14,150 – the strongest net account growth since December 2004. In addition, management affirmed its 2005 GAAP earnings guidance of between \$0.93 and \$1.08 per share.

“The benefits of a broad product offering that includes trading, investing, borrowing and cash management relationships with our customers continues to differentiate E*TRADE FINANCIAL within the industry,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL. “We are also pleased with the market share gains we have realized since the rollout of our E*TRADE Complete offering, which included the upgrade of over one million accounts and the launch of a new marketing campaign to drive growth in accounts, assets, borrowings and product utilization. Our ability to effectively monetize cash and integrate lending relationships within our bank balance sheet provides a unique growth opportunity against the backdrop of a soft retail trading environment.”

Key Performance Metrics

	Apr-05	Mar-05	Apr-05 vs. Mar-05	Qtr Ended 3/31/05	Apr-05 vs. Qtr Ended 3/31/05
Trading days	21.0	22.0	N.M.	61.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
Retail	79,316	85,040	(6.7)%	88,075	(9.9)%
US	65,926	71,433	(7.7)%	74,133	(11.1)%
International	13,390	13,607	(1.6)%	13,942	(4.0)%
Professional	35,890	41,411	(13.3)%	46,695	(23.1)%
Total DARTs	115,206	126,451	(8.9)%	134,770	(14.5)%
<u>Market Making</u>					
Equity shares traded (MM)	9,861	14,418	(31.6)%	57,385	N.M.
Average revenue capture per 1,000 shares	\$0.492	\$0.419	17.4 %	\$0.329	49.5 %
<u>Gross New Accounts</u>					
Investing/Trading accounts	51,693	38,967	N.M.	133,951	N.M.
Deposit/Lending accounts	18,563	27,599	N.M.	58,454	N.M.
Total gross new accounts	70,256	66,566	N.M.	203,809	N.M.
<u>Active Accounts</u>					
Investing/Trading accounts	2,986,705	2,975,744	0.4 %	2,975,744	0.4 %
Deposit/Lending accounts	645,453	642,264	0.5 %	642,264	0.5 %
Total active accounts end of period	3,632,158	3,618,008	0.4 %	3,618,008	0.4 %
End of period margin debt (\$MM)	\$2,249	\$2,266	(0.8)%	\$2,266	(0.8)%
Average margin debt (\$MM)	\$2,247	\$2,252	(0.2)%	\$2,239	0.4 %
<u>Retail Assets / Deposits (\$MM)</u>					
Retail client assets in investing accounts	\$77,531	\$82,336	(5.8)%	\$82,336	(5.8)%
Retail deposits in customer accounts	\$12,485	\$12,520	(0.3)%	\$12,520	(0.3)%
Total retail assets / deposits in customer accoun	\$90,016	\$94,856	(5.1)%	\$94,856	(5.1)%
<u>Loan Originations (\$MM)</u>					
Direct mortgage originations	\$155	\$277	(43.9)%	\$627	N.M.
Consumer loan originations, incl HELOCs	\$191	\$220	(13.3)%	\$489	N.M.

Historical monthly metric data from January 2003 to April 2005 can be found on the E*TRADE FINANCIAL investor relations site at www.etrade.com.

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.

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