



E*TRADE FINANCIAL CORPORATION ANNOUNCES RESULTS OF ANNUAL SHAREHOLDER MEETING

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New York, May 26, 2005 - E*TRADE FINANCIAL Corporation (NYSE: ET) today announced the results of its Annual Shareholder Meeting held today, May 26, 2005, in Arlington, VA. Over 88 percent of all outstanding shares were voted. Shareholders voted in favor of all the proposals on the proxy, including the election of four directors; the approval of the 2005 Equity Incentive Plan and the 2005 Executive Bonus Plan; and the ratification of the selection of Deloitte & Touche LLP as the Company's auditors.

Daryl G. Brewster, Group Vice President and President, Snacks and Cereal, Kraft Foods, Inc.; Mitchell H. Caplan, Chief Executive Officer, E*TRADE FINANCIAL Corporation; C. Cathleen Raffaeli, Chief Executive Officer and President, Cardean Learning Group; and Stephen H. Willard, Executive Vice President, Chief Financial Officer and General Counsel, Flamel Technologies S.A., were each elected or re-elected to the Company's Board of Directors for a term that will end at the Company's Annual Shareholder Meeting in 2008.

The Company's Corporate Report is currently available 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.

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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