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New York, August 30, 2005 - E*TRADE FINANCIAL Corporation (NYSE: ET) today announced the appointment of Ken Hight to the position of Executive Vice President, Capital Markets, effective September 6, 2005. Mr. Hight joins the Company from another electronic trading pioneer, Investment Technology Group, Inc. (NYSE: ITG). As Executive Vice President, Capital Markets, Mr. Hight will be responsible for the management of the Company's Institutional equity business, including market making, global institutional brokerage, electronic trading products (DMA), wholesale execution and the securities lending operations. Mr. Hight will report to Dennis Webb, President, E*TRADE Capital Markets.

Mr. Hight comes to E*TRADE with over 30 years experience in the financial services industry. He most recently served as Chief Executive Officer and President, ITG Canada, having joined the company in March 2000 to establish that subsidiary. Prior to ITG, Mr. Hight spent seven years with TD Securities where he served as Deputy Chair, responsible for Global Institutional Equities, and as a member of the Executive Committee. Mr. Hight has also held various senior management positions with TD Bank in Australia, Canada and the United States.

"E*TRADE Capital Markets is differentiated in that it benefits from the unique flows of business generated by our Retail customers," said R. Jarrett Lilien, President and COO, E*TRADE FINANCIAL. "The opportunity is to fully leverage these flows through interaction with our Institutional customer base. Ken's overall experience with both the global Institutional markets and the electronic delivery of execution services makes him the ideal choice to lead us toward fully realizing this opportunity."

Mr. Hight said, "It is an exciting time to join E*TRADE Capital Markets, a group that has accomplished a great deal over the past few years and already accounts for approximately four percent of the consolidated tape for Listed and OTC securities. I look forward to working with E*TRADE FINANCIAL's extraordinary team."

E*TRADE Capital Markets provides global execution, independent research, settlement, brokerage services, market making, electronic trading products, wholesale execution and securities lending to financial institutions around the world. From locations in New York, Chicago, Toronto, London, Tokyo and Hong Kong, E*TRADE Capital Markets offers 24-hour trading coverage in equities, foreign exchange and fixed income products in over 42 markets; and is a leading market maker in over 9000 Listed, NASDAQ, Bulletin Board, Pink Sheets, ADR and Foreign Securities.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provide 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.