



E*TRADE FINANCIAL PRICES SENIOR NOTE OFFERING

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New York, September 14, 2005 - E*TRADE FINANCIAL Corporation (NYSE: ET) announced today that it has priced its previously announced offering of \$450 million principal amount of senior notes. The \$450 million will be comprised of \$100 million in additional 8% senior notes issued pursuant to the Indenture dated June 8, 2004 (the "Additional Notes"), which will be due in 2011, and new senior notes in the amount of \$350 million that will become due in 2013 (the "2013 Notes"). The Additional Notes offering was priced at 103.45 to yield 7 1/8%. The 2013 Notes will bear interest at a rate of 7 3/8% per annum. The offering of each of the Additional Notes and the 2013 Notes is expected to close on or about September 19, 2005.

The Company intends to use substantially all of the net proceeds from this offering to fund the proposed acquisition of Harrisdirect from BMO Financial Group.

The notes have not been registered under the Securities Act of 1933, as amended, or applicable state securities laws, and unless so registered, may not be offered or sold in the United States, except pursuant to an applicable exemption from the registration requirements of the Securities Act of 1933, as amended, and applicable state securities laws.

This press release shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy the notes. This press release is being issued pursuant to and in accordance with Rule 135c under the Securities Act of 1933, as amended.

About E*TRADE

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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