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**E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY
ACTIVITY FOR MAY 2004**

- *Retail DARTs, Professional DARTs and Total DARTs decreased 28 percent from April*
- *Through May, second quarter Retail DARTs are trending lower than the first quarter results by 17 percent, while Professional and Total DARTs are trending lower by 4 percent and 13 percent, respectively*
- *Month-end margin debt balances declined 9 percent, or \$210 million, to \$2.03 billion*
- *Total assets and deposits in customer accounts rose 3 percent to \$85.7 billion*
- *Gross new accounts totaled 49,540*

New York, June 16, 2004 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for May. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 71,599 and Professional DARTs of 43,112 for Total DARTs of 114,711 – representing a 27.7 percent sequential decrease from April. Margin debt balances decreased 9.4 percent sequentially to \$2.03 billion at month end. Total client assets increased 3.1 percent to \$85.7 billion, while client assets in investing accounts increased 3.4 percent to \$73.8 billion.

“May represented a challenging environment for retail trading across the entire industry,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. “This type of market environment particularly demonstrates the value of our integrated brokerage and banking model and its ability to deliver consistent earnings through various market cycles. Regardless of short-term market fluctuations, we will continue to execute on our mission of delivering innovative and value-added products to our customers.”

Monthly Activity Data

Historical monthly metric data from January 2003 to May 2004 can be found on the E*TRADE FINANCIAL investor relations site at www.etrade.com.

	May-04	Apr-04	May-04 vs. Apr-04	Q204 QTD *	Qtr Ended 3/31/04	Q204 QTD * vs. Qtr Ended 3/31/04
Trading days	20.0	21.0	N.M.	41.0	62.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
Retail	71,599	98,793	(27.5)%	85,528	103,052	(17.0)%
US	61,532	86,218	(28.6)%	74,176	88,601	(16.3)%
International	10,067	12,575	(19.9)%	11,352	14,451	(21.4)%
Professional	43,112	59,845	(28.0)%	51,682	53,983	(4.3)%
Total DARTs	114,711	158,638	(27.7)%	137,210	157,035	(12.6)%
<u>Market Making</u>						
Equity shares traded (MM)	23,764	23,911	(0.6)%	47,675	34,696	N.M.
<u>Gross New Accounts</u>						
Brokerage	39,867	55,593	N.M.	95,460	141,717	N.M.
Banking	9,673	11,848	N.M.	21,521	61,638	N.M.
Total gross new accounts	49,540	67,441	N.M.	116,981	203,355	N.M.
<u>Active Accounts</u>						
Brokerage	2,893,016	2,889,813	0.1 %	2,893,016	2,880,436	0.4 %
Banking	632,149	637,165	(0.8)%	632,149	643,240	(1.7)%
Total active accounts end of period	3,525,165	3,526,978	(0.1)%	3,525,165	3,523,676	0.0 %
End of period margin debt (\$MM)	\$2,032	\$2,242	(9.4)%	\$2,032	\$2,140	(5.0)%
<u>Total Assets / Deposits</u>						
Total client assets in investing accounts (\$MM)	\$73,809	\$71,369	3.4 %	\$73,809	\$75,237	(1.9)%
Total deposits in banking accounts (\$MM)	\$11,906	\$11,777	1.1 %	\$11,906	\$11,976	(0.6)%
Total assets / deposits in customer accounts (\$MM)	\$85,715	\$83,146	3.1 %	\$85,715	\$87,213	(1.7)%
<u>Loan Originations</u>						
Direct mortgage originations (\$MM)	\$391	\$600	(34.8)%	\$991	\$1,099	N.M.
Consumer loan originations, incl HELOCs (\$MM)	\$247	\$277	(10.8)%	\$524	\$691	N.M.

*Q204 quarter-to-date (QTD) includes results for the two months ended May 31, 2004

About E*TRADE FINANCIAL

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