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

New York, September 14, 2005 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Business Metrics Report for August. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 90,676 and Professional DARTs of 30,410 for Total DARTs of 121,086. Retail DARTs decreased 2.8 percent from July and increased 56.6 percent from a year ago, while Total DARTs decreased 3.7 percent from July and increased 37.3 percent from a year ago. Average margin debt balances increased 2.9 percent from July and 14.7 percent from a year ago to \$2.3 billion. The Company also reported total client assets of \$103.3 billion, representing a 1.6 percent decline from July and a 30.9 percent increase over the year ago period. Gross new accounts for the month totaled 64,071, resulting in total end of period active accounts of 3,696,433.

“We are pleased with the strength we have seen throughout the summer in our investing, credit and cash management solutions,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL. “In what is typically a seasonally slow month, we generated double-digit, year-over-year growth in trading volumes, margin balances and client assets. In addition, the continued successful roll out and marketing of E*TRADE Complete drove an increase in deposit balances for the fourth consecutive month in August, putting us on track for \$1 billion of growth in client cash balances this quarter.”

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Key Performance Metrics

	Aug-05	Jul-05	Aug-05 vs. Jul-05	Q305 QTD *	Qtr Ended 6/30/05	Q305 QTD * vs. Qtr Ended 6/30/05
Trading days	23.0	20.0	N.M.	43.0	64.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
Retail	90,676	93,267	(2.8)%	91,881	80,869	13.6 %
US	76,365	79,146	(3.5)%	77,658	68,256	13.8 %
International	14,311	14,121	1.3 %	14,223	12,613	12.8 %
Professional	30,410	32,494	(6.4)%	31,379	34,425	(8.8)%
Total DARTs	121,086	125,761	(3.7)%	123,260	115,294	6.9 %
<u>Market Making</u>						
Equity shares traded (MM)	12,192	10,666	14.3 %	22,858	30,584	N.M.
Average revenue capture per 1,000 shares	\$0.488	\$0.605	(19.3)%	\$0.543	\$0.515	5.5 %
<u>Gross New Accounts</u>						
Investing/Trading accounts	44,981	64,824	N.M.	109,805	142,010	N.M.
Deposit/Lending accounts	19,090	24,207	N.M.	43,297	62,099	N.M.
Total gross new accounts	64,071	89,031	N.M.	153,102	204,109	N.M.
<u>Active Accounts</u>						
Investing/Trading accounts	3,027,830	3,020,332	0.2 %	3,027,830	2,990,586	1.2 %
Deposit/Lending accounts	668,603	663,750	0.7 %	668,603	653,602	2.3 %
Total active accounts end of period	3,696,433	3,684,082	0.3 %	3,696,433	3,644,188	1.4 %
End of period margin debt (\$MM)	\$2,333	\$2,300	1.4 %	\$2,333	\$2,277	2.5 %
Average margin debt (\$MM)	\$2,306	\$2,240	2.9 %	\$2,273	\$2,196	3.5 %
<u>Retail Assets / Deposits (\$MM)</u>						
Retail client assets in investing accounts	\$90,045	\$92,000	(2.1)%	\$90,045	\$84,273	6.8 %
Retail deposits in customer accounts	\$13,218	\$12,941	2.1 %	\$13,218	\$12,562	5.2 %
Total retail assets / deposits in customer accounts	\$103,263	\$104,941	(1.6)%	\$103,263	\$96,835	6.6 %

*Q305 quarter-to-date (QTD) includes results for the two months ended August 31, 2005

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

About E*TRADE FINANCIAL

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