



## **E\*TRADE FINANCIAL AGREES TO SELL E\*TRADE CONSUMER FINANCE CORPORATION TO GE CONSUMER FINANCE FOR \$60 MILLION**

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New York, NY, August 16, 2005 - E\*TRADE FINANCIAL Corporation (NYSE: ET) today announced it has entered into a definitive agreement to sell the origination and servicing business of E\*TRADE Consumer Finance Corporation, the Company's RV and marine lending business, to GE Consumer Finance's Retail Sales Finance unit, for \$60 million in cash. E\*TRADE FINANCIAL expects to record a pre-tax gain of approximately \$45 million upon closing.

Under the terms of the sale, \$3.3 billion in RV and marine assets will remain the property of E\*TRADE FINANCIAL and will continue to be serviced by E\*TRADE Consumer Finance Corporation under GE Consumer Finance's ownership. In addition, E\*TRADE FINANCIAL will retain all assets originated through the transaction closing.

"We continuously review all aspects of the business to ensure all initiatives are core to the Company's long-term vision," said Mitchell H. Caplan, Chief Executive Officer, E\*TRADE FINANCIAL Corporation. "We believe our customers and shareholders are best served by deploying capital in a manner that accelerates the realization of that vision."

E\*TRADE FINANCIAL also recently announced the acquisition of Harrisdirect and Kobren Insight Management. Both business moves were directed at ensuring all lines of business are aligned to rapidly achieve the Company's long-term strategic goals.

"The sale of the consumer finance business allows us to further streamline our business and allows us greater focus in generating the value that is inherent in our business model," said R. Jarrett Lilien, President and COO, E\*TRADE FINANCIAL. "Maximizing opportunities for our retail customers to engage directly with us to meet their investing, cash and credit needs will yield the highest return for customers as well as shareholders."

The deal is subject to approval by all regulatory agencies. Following the completion of the sale, GE Consumer Finance's Retail Sales Finance division will re-brand E\*TRADE Consumer Finance Corporation. Operations will continue to be based in Irvine, Calif. and Clearwater, Fla.

"Combining efforts with E\*TRADE enables us to bring the best of both organizations to clients, customers and the industry," said Glenn Marino, President and Chief Executive Officer of GE Consumer Finance's Retail Sales Finance unit. "We look forward to maximizing the growth opportunities with this move."

### **About E\*TRADE FINANCIAL**

The E\*TRADE FINANCIAL family of companies provides financial services including investing, trading, 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.

### **About GE Consumer Finance**

With \$150 billion in assets, GE Consumer Finance, a unit of General Electric Company, is a leading provider of credit services to consumers, retailers and auto dealers in 47 countries around the world. GE Consumer Finance, based in Stamford, Conn. (USA), offers a range of financial products, including private label credit cards, personal loans, bank cards, auto loans and leases, mortgages, corporate travel and purchasing cards, debt consolidation and home equity loans and credit insurance. More information can be at [www.geconsumerfinance.com](http://www.geconsumerfinance.com).

### **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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