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E*TRADE FINANCIAL Media Contact

Pam Erickson
E*TRADE FINANCIAL Corporation
617-296-6080
pam.erickson@etrade.com

E*TRADE FINANCIAL Investor Relations Contact

Adam Townsend
E*TRADE FINANCIAL Corporation
703-236-8719
adam.townsend@etrade.com

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

- *Retail DARTs increased 10.6 percent from June, Professional DARTs decreased 5.2 percent and Total DARTs increased 6.0 percent*
- *Average margin debt balances increased 2.8 percent to \$2.24 billion*
- *Total retail assets and deposits in customer accounts increased 8.4 percent sequentially to \$104.9 billion*
- *Gross new accounts totaled 89,031*

New York, August 17, 2005 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for July. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 93,267 and Professional DARTs of 32,494 for Total DARTs of 125,761. Retail DARTs increased 10.6 percent from June and increased 39.4 percent from a year ago, while Total DARTs increased 6.0 percent from June and 18.0 percent from a year ago. Total retail assets and deposits increased 8.4 percent from June and 31.2 percent from a year ago. In addition, the Company added total gross new accounts of 89,031, generating net new account growth of 39,894 for total end of period active accounts of 3,684,082.

“July was a great month. We saw a nice pick up in new accounts, as well as increased activity across the board and continued growth in our market share,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL. “E*TRADE Complete continues to gain traction as customers broaden their engagement with our investing, credit and cash management solutions.”

Last week E*TRADE FINANCIAL announced two acquisitions – online broker Harris *direct* and registered investment advisor Kobren Insight Management – accelerating the Company’s aggressive growth goals while building on its proven ability to grow the franchise organically. These acquisitions will provide the Company with further leverage to monetize all aspects of the Retail customer relationship among its Retail and Institutional businesses.

Key Performance Metrics

	Jul-05	Jun-05	Jul-05 vs. Jun-05	Qtr Ended 6/30/05	Jul-05 vs. Qtr Ended 6/30/05
Trading days	20.0	22.0	N.M.	64.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
Retail	93,267	84,327	10.6 %	80,869	15.3 %
US	79,146	71,500	10.7 %	68,256	16.0 %
International	14,121	12,827	10.1 %	12,613	12.0 %
Professional	32,494	34,263	(5.2)%	34,425	(5.6)%
Total DARTs	125,761	118,590	6.0 %	115,294	9.1 %
<u>Market Making</u>					
Equity shares traded (MM)	10,666	9,962	7.1 %	30,584	N.M.
Average revenue capture per 1,000 shares	\$0.605	\$0.582	4.0 %	\$0.515	17.5 %
<u>Gross New Accounts</u>					
Investing/Trading accounts	64,824	49,610	N.M.	142,010	N.M.
Deposit/Lending accounts	24,207	26,116	N.M.	62,099	N.M.
Total gross new accounts	89,031	75,726	N.M.	204,109	N.M.
<u>Active Accounts</u>					
Investing/Trading accounts	3,020,332	2,990,586	1.0 %	2,990,586	1.0 %
Deposit/Lending accounts	663,750	653,602	1.6 %	653,602	1.6 %
Total active accounts end of period	3,684,082	3,644,188	1.1 %	3,644,188	1.1 %
End of period margin debt (\$MM)	\$2,300	\$2,277	1.0 %	\$2,277	1.0 %
Average margin debt (\$MM)	\$2,240	\$2,180	2.8 %	\$2,196	2.0 %
<u>Retail Assets / Deposits (\$MM)</u>					
Retail client assets in investing accounts	\$92,000	\$84,273	9.2 %	\$84,273	9.2 %
Retail deposits in customer accounts	\$12,941	\$12,562	3.0 %	\$12,562	3.0 %
Total retail assets / deposits in customer accounts	\$104,941	\$96,835	8.4 %	\$96,835	8.4 %

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

About E*TRADE FINANCIAL

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.

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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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