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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR JANUARY 2005

- *Retail DARTs decreased 7.3 percent from December, Professional DARTs increased 23.1 percent and Total DARTs increased 2.3 percent*
- *Average margin debt balances increased 1.2 percent, or by \$27 million, to \$2.24 billion*
- *Total retail assets and deposits in customer accounts decreased 5.2 percent to \$95.2 billion*
- *Gross new accounts totaled 70,811*

New York, February 16, 2005 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for January. The Company reported monthly Retail Daily Average Revenue Trades (DARTs) of 89,400 and Professional DARTs of 54,300 for Total DARTs of 143,700. Average margin debt balances increased 1.2 percent sequentially to \$2.24 billion, and month-end margin debt balances increased 0.4 percent.

“January numbers indicate that we are on track with our 2005 strategic plan,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL. “We remain confident that creating the industry’s most compelling combination of price, functionality and service will yield market share gains in trading volume, assets and lending.”

Monthly Activity Data

	Jan-05	Dec-04	Jan-05 vs. Dec-04	Qtr Ended 12/31/04	Jan-05 vs. Qtr Ended 12/31/04
Trading days	20.0	22.0	N.M.	63.5	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
Retail	89,383	96,381	(7.3)%	89,604	(0.2)%
US	76,287	84,448	(9.7)%	76,955	(0.9)%
International	13,096	11,933	9.7 %	12,649	3.5 %
Professional	54,293	44,107	23.1 %	46,529	16.7 %
Total DARTs	143,676	140,488	2.3 %	136,133	5.5 %
<u>Market Making</u>					
Equity shares traded (MM)	23,019	30,261	(23.9)%	75,717	N.M.
Average revenue capture per 1,000 shares	\$0.301	\$0.322	(6.5)%	\$0.318	(5.3)%
<u>Gross New Accounts</u>					
Investing/Trading accounts	52,271	61,011	N.M.	161,737	N.M.
Deposit/Lending accounts	18,540	12,088	N.M.	42,072	N.M.
Total gross new accounts	70,811	73,099	N.M.	203,809	N.M.
<u>Active Accounts</u>					
Investing/Trading accounts	2,972,542	2,956,090	0.6 %	2,956,090	0.6 %
Deposit/Lending accounts	631,954	626,673	0.8 %	626,673	0.8 %
Total active accounts end of period	3,604,496	3,582,763	0.6 %	3,582,763	0.6 %
End of period margin debt (\$MM)	\$2,244	\$2,236	0.4 %	\$2,236	0.4 %
Average margin debt (\$MM)	\$2,238	\$2,211	1.2 %	\$2,085	7.3 %
<u>Retail Assets / Deposits (\$MM)</u>					
Retail client assets in investing accounts	\$83,143	\$88,137	(5.7)%	\$88,137	(5.7)%
Retail deposits in customer accounts	\$12,071	\$12,303	(1.9)%	\$12,303	(1.9)%
Total retail assets / deposits in customer accounts	\$95,214	\$100,440	(5.2)%	\$100,440	(5.2)%
<u>Loan Originations (\$MM)</u>					
Direct mortgage originations	\$172	\$219	(21.4)%	\$701	N.M.
Consumer loan originations, incl HELOCs	\$131	\$159	(17.6)%	\$527	N.M.

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

About E*TRADE FINANCIAL

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