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

- *Retail DARTs decreased 0.7 percent from April, Professional DARTs decreased 7.7 percent and Total DARTs decreased 2.8 percent*
- *Average margin debt balances decreased 3.7 percent to \$2.16 billion*
- *Total retail assets and deposits in customer accounts increased 6.9 percent to \$96.2 billion*
- *Gross new accounts totaled 58,127*

New York, June 15, 2005 – 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 78,800 and Professional DARTs of 33,100 for Total DARTs of 111,900. Retail DARTs decreased 0.7 percent from April and increased 10.1 percent from a year ago, while Total DARTs decreased 2.8 percent from April and 2.4 percent from a year ago. Total retail assets and deposits increased 6.9 percent from April and 12.3 percent from a year ago. In addition, the Company added total gross new accounts of 58,130 and generated net new account growth of 7,980 for total end of period active accounts of 3,640,140.

“We are very pleased with the results we are seeing so far from the rollout of E*TRADE Complete and our latest marketing initiatives,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL. “In May, we continued to be encouraged by further relative market share gains in trading activity, as well as by the growth in customer cash balances across our suite of cash management solutions. Additionally, the positive annual growth trends in retail trading activity, customer assets and total accounts indicate that we are successfully executing on our strategy and delivering value to customers and shareholders.”

Key Performance Metrics

	May-05	Apr-05	May-05 vs. Apr-05	Q205 QTD *	Qtr Ended 3/31/05	Q205 QTD * vs. Qtr Ended 3/31/05
Trading days	21.0	21.0	N.M.	42.0	61.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
Retail	78,797	79,316	(0.7)%	79,057	88,075	(10.2)%
US	67,187	65,926	1.9 %	66,557	74,133	(10.2)%
International	11,610	13,390	(13.3)%	12,500	13,942	(10.3)%
Professional	33,131	35,890	(7.7)%	34,510	46,695	(26.1)%
Total DARTs	111,928	115,206	(2.8)%	113,567	134,770	(15.7)%
<u>Market Making</u>						
Equity shares traded (MM)	10,716	9,906	8.2 %	20,622	57,385	N.M.
Average revenue capture per 1,000 shares	\$0.475	\$0.490	(3.1)%	\$0.482	\$0.329	46.4 %
<u>Gross New Accounts</u>						
Investing/Trading accounts	40,707	51,693	N.M.	92,400	133,951	N.M.
Deposit/Lending accounts	17,420	18,563	N.M.	35,983	58,454	N.M.
Total gross new accounts	58,127	70,256	N.M.	128,383	192,405	N.M.
<u>Active Accounts</u>						
Investing/Trading accounts	2,994,066	2,986,705	0.2 %	2,994,066	2,975,744	0.6 %
Deposit/Lending accounts	646,070	645,453	0.1 %	646,070	642,264	0.6 %
Total active accounts end of period	3,640,136	3,632,158	0.2 %	3,640,136	3,618,008	0.6 %
End of period margin debt (\$MM)	\$2,167	\$2,249	(3.6)%	\$2,167	\$2,266	(4.4)%
Average margin debt (\$MM)	\$2,163	\$2,247	(3.7)%	\$2,204	\$2,239	(1.6)%
<u>Retail Assets / Deposits (\$MM)</u>						
Retail client assets in investing accounts	\$83,279	\$77,531	7.4 %	\$83,279	\$82,336	1.1 %
Retail deposits in customer accounts	\$12,952	\$12,485	3.7 %	\$12,952	\$12,520	3.5 %
Total retail assets / deposits in customer accounts	\$96,231	\$90,016	6.9 %	\$96,231	\$94,856	1.4 %
<u>Loan Originations (\$MM)</u>						
Direct mortgage originations	\$150	\$155	(3.2)%	\$305	\$626	N.M.
Consumer loan originations, incl HELOCs	\$137	\$191	(28.3)%	\$328	\$490	N.M.

*Q205 quarter-to-date (QTD) includes results for the two months ended May 31, 2005

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

About E*TRADE FINANCIAL

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