



E*TRADE FINANCIAL Delivers First Two-Factor Authentication Security Solution to Retail Customers

The E*TRADE Complete(TM) Security System with Digital Security ID available to US customers

E*TRADE FINANCIAL Delivers First Two-Factor Authentication Security Solution to Retail Customers

The E*TRADE Complete(TM) Security System with Digital Security ID available to US customers

New York, March 1, 2005 - E*TRADE FINANCIAL Corporation (NYSE: ET) today announced the availability of a ground-breaking two-factor security solution that protects a customer's identity and account information from access by an unauthorized person. Available in Q2 2005, the token-based security solution provides US-based retail customers an added layer of security at their point of access to the Internet to safeguard their personal financial information. E*TRADE FINANCIAL customers can opt-in to the security token program at their own discretion.

"The Digital Security ID token aims to provide customers with a more complete security and online protection system," said Lou Klobuchar, President, E*TRADE Financial Services. "In addition to the best-in-class security standards we maintain on E*TRADE's own host servers and systems, we are now making available to retail customers an additional and voluntary layer of password security they can deploy on their own computers to address any password access or control concerns that they may have."

The two-factor authentication solution uses a small digital token device to provide customers with a random, six-digit code that changes every 60 seconds. The customer uses this unique code combined with his/her user ID and password to access E*TRADE accounts, preventing an unintended or unauthorized user to log into an account.

E*TRADE FINANCIAL maintains strict physical, electronic and procedural safeguards that are designed to meet or exceed industry standards to safeguard its customers' non-public information. E*TRADE FINANCIAL also places a high premium on customer education, providing customers with tips to keep their personal information secure and strategies for protecting their home computers from outside sources trying to gain access.

Customers interested in utilizing two-factor authentication can visit www.etrade.com/onlinesecurity. Upon completion of a simple application process, customers will be enrolled in the E*TRADE Complete(TM) Security program. The Digital Security ID is available free to customers with \$50,000 or more in combined E*TRADE account assets¹.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing, banking and lending for retail, corporate 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. Bank deposits are FDIC-insured up to \$100,000.

*1 The E*TRADE Complete(TM) Digital Security ID will be provided at no cost to Power E*TRADE and Priority E*TRADE customers. A \$25 charge may be imposed for each additional or replacement Digital Security ID. E*TRADE FINANCIAL at its sole discretion may impose a fee for this service in the future or may discontinue the service.*

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.

