

FOR IMMEDIATE RELEASE

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 ACTIVITY FOR APRIL 2006

New York, May 17, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for April. The Company's total retail client assets increased 1 percent over March, totaling \$194.1 billion. End of period margin debt balances increased 2 percent sequentially to \$7.0 billion, while average margin debt balances also increased 2 percent to \$6.9 billion. Total Daily Average Revenue Trades (DARTs) were 183,259, up 8 percent versus March. Gross new accounts for the month totaled 97,765, resulting in total end-of-period active accounts of 4,352,979.

"In April, we continued to experience solid organic growth trends with respect to our key business drivers including accounts, assets, cash and credit balances. We view the continuation of these growth trends as validation of the appeal and competitiveness of our value proposition," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "Additionally, over the first weekend in May, we completed the conversion of BrownCo accounts onto our platform. While it is still early, we are very pleased with the conversion from a process and customer experience perspective. We plan to provide an update to the attrition levels along with our quarterly results in July."

(more)

Monthly Activity Data

	Apr-06	Mar-06	Apr-06 vs. Mar-06	Qtr Ended 03/31/06	Apr-06 vs. Q1-06
Trading days	19.0	23.0	N.M.	62.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
US	160,046	148,879	7.5 %	159,199	0.5 %
International	23,213	21,409	8.4 %	21,960	5.7 %
Total DARTs	183,259	170,288	7.6 %	181,159	1.2 %
<u>Market Making</u>					
Equity shares traded (MM)	24,430	39,168	(37.6)%	90,871	N.M.
Average revenue capture per 1,000 equity shares	\$0.337	\$0.228	47.8 %	\$0.277	21.8 %
<u>Gross New Retail Accounts</u>					
Trading/investing accounts	71,108	60,347	N.M.	190,027	N.M.
Deposit/lending accounts	26,657	39,431	N.M.	80,632	N.M.
Total gross new retail accounts	97,765	99,778	N.M.	270,659	N.M.
<u>Active Retail Accounts</u>					
Trading/investing accounts	3,641,401	3,634,803	0.2 %	3,634,803	0.2 %
Deposit/lending accounts	711,578	699,631	1.7 %	699,631	1.7 %
Total active retail accounts end of period	4,352,979	4,334,434	0.4 %	4,334,434	0.4 %
End of period margin debt (\$MM)	\$6,965	\$6,814	2.2 %	\$6,814	2.2 %
Average margin debt (\$MM)	\$6,878	\$6,756	1.8 %	\$6,631	3.7 %
<u>Retail Client Assets (\$MM)</u>					
Client assets in trading/investing accounts	\$175,176	\$173,694	0.9 %	\$173,694	0.9 %
Client assets in deposit accounts	\$18,958	\$18,901	0.3 %	\$18,901	0.3 %
Total retail client assets	\$194,134	\$192,595	0.8 %	\$192,595	0.8 %

Historical monthly metric data from January 2003 to April 2006 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.

###

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, seasonality, the development of new products and services, the enhancement of existing 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.