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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR AUGUST 2006

New York, September 13, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for August. The Company's total retail client assets increased 3.0 percent sequentially, totaling \$181.9 billion. End of period margin debt balances decreased 5.0 percent sequentially to approximately \$6.5 billion, with average margin debt balances decreasing 5.1 percent to approximately \$6.6 billion. Total Daily Average Revenue Trades (DARTs) were 127,951. Gross new retail accounts for the month totaled 107,226 – resulting in total end-of-period active retail accounts of 4,419,289.

“Given the expected seasonality in trading activity during August, we were pleased to see strong growth in new accounts, cash balances and total client assets,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. “The strength of these metrics through the summer shows the appeal and advantage of our broad product suite and how these products meet the varying needs of our customers in different market environments.”

(more)

Monthly Activity Data

	Aug-06	Jul-06	Aug-06 vs. Jul-06	Q306 QTD *	Qtr Ended 06/30/06	Q306 QTD * vs. Qtr Ended 06/30/06
Trading days	23.0	19.5	N.M.	42.5	63.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
US	110,181	120,370	(8.5)%	114,856	142,621	(19.5)%
International	17,770	17,997	(1.3)%	17,874	22,981	(22.2)%
Total DARTs	127,951	138,367	(7.5)%	132,730	165,602	(19.8)%
<u>Market Making</u>						
Equity shares traded (MM)	19,752	22,119	(10.7)%	41,871	69,537	N.M.
Average revenue capture per 1,000 equity shares	\$0.377	\$0.297	26.9 %	\$0.335	\$0.387	(13.4)%
<u>Gross New Retail Accounts</u>						
Trading/investing accounts	50,024	56,009	N.M.	106,033	169,595	N.M.
Deposit/lending accounts	57,202	24,223	N.M.	81,425	97,739	N.M.
Total gross new retail accounts	107,226	80,232	N.M.	187,458	267,334	N.M.
<u>Active Retail Accounts</u>						
Trading/investing accounts	3,623,982	3,614,091	0.3 %	3,623,982	3,626,963	(0.1)%
Deposit/lending accounts	795,307	758,423	4.9 %	795,307	748,950	6.2 %
Total active retail accounts end of period	4,419,289	4,372,514	1.1 %	4,419,289	4,375,913	1.0 %
End of period margin debt (\$MM)	\$6,484	\$6,822	(5.0)%	\$6,484	\$7,146	(9.3)%
Average margin debt (\$MM)	\$6,590	\$6,946	(5.1)%	\$6,768	\$6,995	(3.2)%
<u>Retail Client Assets (\$MM)</u>						
Client assets in trading/investing accounts	\$160,767	\$156,040	3.0 %	\$160,767	\$160,149	0.4 %
Client assets in deposit accounts	21,175	20,668	2.5 %	21,175	20,559	3.0 %
Total retail client assets	\$181,942	\$176,708	3.0 %	\$181,942	\$180,708	0.7 %

*Q306 quarter-to-date (QTD) includes results for the two months ended August 31, 2006

Historical monthly metric data from January 2003 to August 2006 can be found on the E*TRADE FINANCIAL investor relations site at www.etrade.com.

About E*TRADE FINANCIAL

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