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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 JANUARY 2006**

New York, February 15, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for January. The Company's total retail assets and deposits in customer accounts increased 5.6 percent sequentially to \$188.4 billion. Retail deposits increased 20.2 percent to \$18.6 billion, driven by approximately \$2.7 billion moved into the Sweep Deposit Account upon conversion of Harris*direct* accounts and continued organic growth in balances across cash management products. Average period margin debt balances decreased 1.0 percent sequentially to \$6.5 billion, while end of period margin debt balances increased 0.9 percent to \$6.6 billion. The Company also reported monthly Total Daily Average Revenue Trades (DARTs) of 195,727, a 32.6 percent increase over December. Gross new accounts for the month totaled 88,099 – resulting in a 0.3 percent sequential increase in total end-of-period active accounts to 4,297,588.

"Retail investors showed a strong level of engagement in January," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "This month we continued to experience solid growth within the key drivers of our model including assets, cash and credit, while benefiting from the ability to leverage the increase in trading activity."

Monthly Activity Data

	Jan-06	Dec-05	Jan-06 vs. Dec-05	Qtr Ended 12/31/05	Jan-06 vs. Qtr Ended 12/31/05
Trading days	20.0	21.0	N.M.	62.5	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
US	173,527	132,316	31.1 %	113,017	53.5 %
International	22,200	15,270	45.4 %	15,391	44.2 %
Total Retail DARTs	195,727	147,586	32.6 %	128,408	52.4 %
<u>Market Making</u>					
Equity shares traded (MM)	20,064	13,432	49.4 %	33,263	N.M.
Average revenue capture per 1,000 shares	\$0.406	\$0.397	2.3 %	\$0.545	(25.5)%
<u>Gross New Accounts</u>					
Investing/Trading accounts	65,152	245,047	N.M.	782,052	N.M.
Deposit/Lending accounts	22,947	42,510	N.M.	96,823	N.M.
Total gross new accounts	88,099	287,557	N.M.	878,875	N.M.
<u>Active Accounts</u>					
Investing/Trading accounts	3,622,330	3,617,778	0.1 %	3,617,778	0.1 %
Deposit/Lending accounts	675,258	666,000	1.4 %	666,000	1.4 %
Total active accounts end of period	4,297,588	4,283,778	0.3 %	4,283,778	0.3 %
End of period margin debt (\$MM)	\$6,616	\$6,560	0.9 %	\$6,560	0.9 %
Average margin debt (\$MM)	\$6,452	\$6,516	(1.0)%	\$4,400	46.6 %
<u>Retail Assets / Deposits (\$MM)</u>					
Retail client assets in investing accounts	\$169,851	\$162,998	4.2 %	\$162,998	4.2 %
Retail deposits in customer accounts	\$18,590	\$15,463	20.2 %	\$15,463	20.2 %
Total retail assets / deposits in customer accounts	\$188,441	\$178,461	5.6 %	\$178,461	5.6 %

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

About E*TRADE FINANCIAL

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