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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR MAY 2006

New York, June 14, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for May. The Company's total retail client assets decreased 5 percent sequentially, totaling \$184.2 billion. End of period margin debt balances increased 2 percent sequentially to \$7.1 billion, with average margin debt balances increasing 2 percent to \$7.0 billion. Total Daily Average Revenue Trades (DARTs) were 178,250, down 3 percent versus April. Gross new retail accounts for the month totaled 95,300 – resulting in total end-of-period active retail accounts of 4,386,000.

"We are very pleased with our results as we continue to execute against our long-term strategic and financial growth plan. Through the combination of organic and acquired growth, we continue to strengthen the franchise, delivering a 92 percent year-over-year increase in client assets, a 231 percent increase in end-of-period margin debt and a 126 percent increase in DART activity," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "Reflected in these results is our renewed commitment and increased investment in service and the overall customer experience. We are already seeing returns on this investment as evidenced by the better than modeled economic driver attrition for *Harrisdirect* and *BrownCo*. Both integrations are now successfully completed and economic attrition currently stands at 9 percent and 4 percent respectively."

(more)

Monthly Activity Data

	May-06	Apr-06	May-06 vs. Apr-06	Q206 QTD *	Qtr Ended 03/31/06	Q206 QTD * vs. Qtr Ended 03/31/06
Trading days	22.0	19.0	N.M.	41.0	62.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>						
US	152,418	160,046	(4.8)%	155,953	159,199	(2.0)%
International	25,829	23,213	11.3 %	24,617	21,960	12.1 %
Total DARTs	178,247	183,259	(2.7)%	180,570	181,159	(0.3)%
<u>Market Making</u>						
Equity shares traded (MM)	26,414	24,430	8.1 %	50,844	90,871	N.M.
Average revenue capture per 1,000 equity shares	\$0.417	\$0.337	23.7 %	\$0.379	\$0.277	36.8 %
<u>Gross New Retail Accounts</u>						
Trading/investing accounts	53,048	71,108	N.M.	124,156	190,027	N.M.
Deposit/lending accounts	42,276	26,657	N.M.	68,933	80,632	N.M.
Total gross new retail accounts	95,324	97,765	N.M.	193,089	270,659	N.M.
<u>Active Retail Accounts</u>						
Trading/investing accounts	3,647,130	3,641,401	0.2 %	3,647,130	3,634,803	0.3 %
Deposit/lending accounts	738,910	711,578	3.8 %	738,910	699,631	5.6 %
Total active retail accounts end of period	4,386,040	4,352,979	0.8 %	4,386,040	4,334,434	1.2 %
End of period margin debt (\$MM)	\$7,104	\$6,965	2.0 %	\$7,104	\$6,814	4.3 %
Average margin debt (\$MM)	\$7,022	\$6,878	2.1 %	\$6,933	\$6,631	4.6 %
<u>Retail Client Assets (\$MM)</u>						
Client assets in trading/investing accounts	\$163,647	\$175,176	(6.6)%	\$163,647	\$173,694	(5.8)%
Client assets in deposit accounts	20,519	18,958	8.2 %	20,519	18,901	8.6 %
Total retail client assets	\$184,166	\$194,134	(5.1)%	\$184,166	\$192,595	(4.4)%

*Q206 quarter-to-date (QTD) includes results for the two months ended May 31, 2006.

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

About E*TRADE FINANCIAL

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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.

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