

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 JULY 2006

New York, August 16, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for July. The Company's total retail client assets decreased 2.2 percent sequentially, totaling \$176.7 billion. End of period margin debt balances decreased 4.5 percent sequentially to \$6.8 billion, with average margin debt balances decreasing 2.5 percent to \$6.9 billion. Total Daily Average Revenue Trades (DARTs) were 138,367, up 0.5 percent versus June. Gross new retail accounts for the month totaled 80,232 – resulting in total end-of-period active retail accounts of 4,372,514.

"The individual investor continues to demonstrate impressive resiliency considering recent market volatility and macroeconomic uncertainty," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "Our unique business model stands out in the current economic environment as the strength of our integrated offering continues to drive growth in customer engagement across multiple products."

(more)

Monthly Activity Data

	Jul-06	Jun-06	Jul-06 vs. Jun-06	Qtr Ended 06/30/06	Jul-06 vs. Qtr Ended 06/30/06
Trading days	19.5	22.0	N.M.	63.0	N.M.
<u>Daily Average Revenue Trades (DARTs)</u>					
US	120,370	117,776	2.2 %	142,621	(15.6)%
International	17,997	19,933	(9.7)%	22,981	(21.7)%
Total DARTs	<u>138,367</u>	<u>137,709</u>	0.5 %	<u>165,602</u>	(16.4)%
<u>Market Making</u>					
Equity shares traded (MM)	22,119	18,693	18.3 %	69,537	N.M.
Average revenue capture per 1,000 equity shares	\$0.297	\$0.411	(27.7)%	\$0.387	(23.3)%
<u>Gross New Retail Accounts</u>					
Trading/investing accounts	56,009	45,439	N.M.	169,595	N.M.
Deposit/lending accounts	24,223	28,806	N.M.	97,739	N.M.
Total gross new retail accounts	<u>80,232</u>	<u>74,245</u>	N.M.	<u>267,334</u>	N.M.
<u>Active Retail Accounts</u>					
Trading/investing accounts	3,614,091	3,626,963	(0.4)%	3,626,963	(0.4)%
Deposit/lending accounts	758,423	748,950	1.3 %	748,950	1.3 %
Total active retail accounts end of period	<u>4,372,514</u>	<u>4,375,913</u>	(0.1)%	<u>4,375,913</u>	(0.1)%
End of period margin debt (\$MM)	\$6,822	\$7,146	(4.5)%	\$7,146	(4.5)%
Average margin debt (\$MM)	\$6,946	\$7,122	(2.5)%	\$6,995	(0.7)%
<u>Retail Client Assets (\$MM)</u>					
Client assets in trading/investing accounts	\$156,040	\$160,149	(2.6)%	\$160,149	(2.6)%
Client assets in deposit accounts	20,668	20,559	0.5 %	20,559	0.5 %
Total retail client assets	<u>\$176,708</u>	<u>\$180,708</u>	(2.2)%	<u>\$180,708</u>	(2.2)%

Historical monthly metric data from January 2003 to July 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.