

FOR IMMEDIATE RELEASE

E*TRADE FINANCIAL Media Relations 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 2007**

New York, May 16, 2007 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for April. The Company's total retail client assets increased 3.5 percent sequentially to a record \$207.6 billion. End of period margin debt balances increased 0.5 percent sequentially to \$7.1 billion, with average margin debt balances increasing 1.3 percent to just over \$7.1 billion. Total Daily Average Revenue Trades ("DARTs") increased 8.8 percent sequentially to 171,078. Gross new retail accounts for the month totaled 121,156 – resulting in total end of period retail accounts of 4,578,703.

"Our investment in growing high quality customer accounts continues to generate solid returns," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "By attracting, retaining and migrating a greater number of customers into our target segment, we continue to generate solid engagement and broader relationships across the key drivers of our business."

(more)

Monthly Activity Data

	Apr-07	Mar-07	Apr-07 vs. Mar-07	Qtr Ended 3/31/07	Apr-07 vs. Qtr Ended 3/31/07
Trading days	20.0	22.0	N.M.	61.0	N.M.
<u>DARTs</u>					
US	143,974	129,596	11.1 %	141,238	1.9 %
International	27,104	27,717	(2.2)%	28,798	(5.9)%
Total DARTs	171,078	157,313	8.8 %	170,036	0.6 %
<u>Market Making</u>					
Equity shares traded (MM)	21,844	17,093	27.8 %	47,425	N.M.
Average revenue capture per 1,000 equity shares	\$0.434	\$0.639	(32.1)%	\$0.576	(24.7)%
<u>Gross New Retail Accounts</u>					
Investing/trading accounts	71,633	52,363	N.M.	170,672	N.M.
Deposit/lending accounts	49,523	61,594	N.M.	179,547	N.M.
Total gross new retail accounts	121,156	113,957	N.M.	350,219	N.M.
<u>End of Period Retail Accounts</u>					
Investing/trading accounts	3,620,366	3,613,762	0.2 %	3,613,762	0.2 %
Deposit/lending accounts	958,337	932,782	2.7 %	932,782	2.7 %
Total end of period retail accounts	4,578,703	4,546,544	0.7 %	4,546,544	0.7 %
End of period margin debt (\$MM)	\$7,067	\$7,032	0.5 %	\$7,032	0.5 %
Average margin debt (\$MM)	\$7,113	\$7,023	1.3 %	\$6,910	2.9 %
<u>Retail Client Assets (\$MM)</u>					
Client assets in investing/trading accounts	\$181,237	\$174,674	3.8 %	\$174,674	3.8 %
Client assets in deposit accounts	26,316	25,809	2.0 %	25,809	2.0 %
Total retail client assets	\$207,553	\$200,483	3.5 %	\$200,483	3.5 %

Historical monthly metric data from January 2003 to April 2007 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, the activity of customers and assets held at the institution, seasonality, the development and enhancement of 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.

© 2007 E*TRADE FINANCIAL Corporation. All rights reserved.