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**E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR
OCTOBER 2006**

New York, November 15, 2006 – E*TRADE FINANCIAL Corporation (NYSE: ET) today released its Monthly Activity Report for October. The Company's total retail client assets increased 3.6 percent sequentially, totaling \$191.4 billion. End of period margin debt balances increased 2.0 percent sequentially to approximately \$6.6 billion, with average margin debt balances increasing nearly 1.0 percent to approximately \$6.5 billion. Total Daily Average Revenue Trades were 151,665. Gross new retail accounts for the month totaled 72,512 – resulting in total end-of-period active retail accounts of 4,420,650.

“October's key performance drivers reflect our success in attracting and retaining customers within our highest value segments,” said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. “As we continue to drive growth and greater engagement with the target customer base, we experience increases in client assets per account, deposits per account and trades per account.”

(more)

Monthly Activity Data

| | <u>Oct-06</u> | <u>Sep-06</u> | <u>Oct-06 vs. Sep-06</u> | <u>Qtr Ended 09/30/06</u> | <u>Oct-06 vs. Qtr Ended 09/30/06</u> |
|---|------------------|------------------|----------------------------------|-------------------------------|--|
| Trading days | 22.0 | 20.0 | N.M. | 62.5 | N.M. |
| <u>Daily Average Revenue Trades ("DARTs")</u> | | | | | |
| US | 130,042 | 119,865 | 8.5 % | 116,459 | 11.7 % |
| International | 21,623 | 20,364 | 6.2 % | 18,671 | 15.8 % |
| Total DARTs | <u>151,665</u> | <u>140,229</u> | 8.2 % | <u>135,130</u> | 12.2 % |
| <u>Market Making</u> | | | | | |
| Equity shares traded (MM) | 14,910 | 12,601 | 18.3 % | 54,472 | N.M. |
| Average revenue capture per 1,000 equity shares | \$0.551 | \$0.538 | 2.4 % | \$0.382 | 44.2 % |
| <u>Gross New Retail Accounts</u> | | | | | |
| Trading/investing accounts | 52,042 | 45,311 | N.M. | 151,344 | N.M. |
| Deposit/lending accounts | 20,470 | 21,233 | N.M. | 102,658 | N.M. |
| Total gross new retail accounts | <u>72,512</u> | <u>66,544</u> | N.M. | <u>254,002</u> | N.M. |
| <u>End of Period Retail Accounts</u> | | | | | |
| Trading/investing accounts | 3,618,601 | 3,627,414 | (0.2)% | 3,627,414 | (0.2)% |
| Deposit/lending accounts | 802,049 | 799,416 | 0.3 % | 799,416 | 0.3 % |
| Total end of period retail accounts | <u>4,420,650</u> | <u>4,426,830</u> | (0.1)% | <u>4,426,830</u> | (0.1)% |
| End of period margin debt (\$MM) | \$6,551 | \$6,424 | 2.0 % | \$6,424 | 2.0 % |
| Average margin debt (\$MM) | \$6,491 | \$6,436 | 0.9 % | \$6,659 | (2.5)% |
| <u>Retail Client Assets (\$MM)</u> | | | | | |
| Client assets in trading/investing accounts | \$169,210 | \$163,002 | 3.8 % | \$163,002 | 3.8 % |
| Client assets in deposit accounts | 22,222 | 21,752 | 2.2 % | 21,752 | 2.2 % |
| Total retail client assets | <u>\$191,432</u> | <u>\$184,754</u> | 3.6 % | <u>\$184,754</u> | 3.6 % |

Historical monthly metric data from January 2003 to October 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.

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