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**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR MAY 2007**

New York, June 13, 2007 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for May. The Company's total retail client assets increased 3.3 percent sequentially to a record \$214.4 billion. End of period margin debt balances decreased 0.2 percent sequentially to \$7.1 billion, with average margin debt balances decreasing 0.9 percent to just over \$7.0 billion. Total Daily Average Revenue Trades ("DARTs") increased 0.2 percent sequentially to 171,387. Gross new retail accounts for the month totaled 101,175 – resulting in total end of period retail accounts of 4,613,232.

"In May we were pleased by the continuation of positive engagement trends within our retail business," said R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation. "The solid growth in accounts and assets is evidence of the success of our integrated product offering and its appeal to the expanding universe of retail clients who seek to build wealth through our high-value solutions."

(more)

Monthly Activity Data

| | May-07 | Apr-07 | May-07 vs. Apr-07 | Q207 QTD ⁽¹⁾ | Qtr Ended 3/31/07 | Q207 QTD ⁽¹⁾ vs. Qtr Ended 3/31/07 |
|---|-----------|-----------|-------------------------|-------------------------|----------------------|--|
| Trading days | 22.0 | 20.0 | N.M. | 42.0 | 61.0 | N.M. |
| DARTs | | | | | | |
| US | 144,050 | 143,974 | 0.1 % | 144,014 | 141,238 | 2.0 % |
| International | 27,337 | 27,104 | 0.9 % | 27,226 | 28,798 | (5.5)% |
| Total DARTs | 171,387 | 171,078 | 0.2 % | 171,240 | 170,036 | 0.7 % |
| Market Making | | | | | | |
| Equity shares traded (MM) | 22,053 | 21,844 | 1.0 % | 43,897 | 47,425 | N.M. |
| Average revenue capture per 1,000 equity shares | \$0.403 | \$0.434 | (7.1)% | \$0.418 | \$0.576 | (27.4)% |
| Gross New Retail Accounts | | | | | | |
| Investing/trading accounts | 61,909 | 71,633 | N.M. | 133,542 | 170,672 | N.M. |
| Deposit/lending accounts | 39,266 | 49,523 | N.M. | 88,789 | 179,547 | N.M. |
| Total gross new retail accounts | 101,175 | 121,156 | N.M. | 222,331 | 350,219 | N.M. |
| End of Period Retail Accounts | | | | | | |
| Investing/trading accounts | 3,635,160 | 3,620,366 | 0.4 % | 3,635,160 | 3,613,762 | 0.6 % |
| Deposit/lending accounts | 978,072 | 958,337 | 2.1 % | 978,072 | 932,782 | 4.9 % |
| Total end of period retail accounts | 4,613,232 | 4,578,703 | 0.8 % | 4,613,232 | 4,546,544 | 1.5 % |
| End of period margin debt (\$MM) | \$7,055 | \$7,067 | (0.2)% | \$7,055 | \$7,032 | 0.3 % |
| Average margin debt (\$MM) | \$7,047 | \$7,113 | (0.9)% | \$7,079 | \$6,910 | 2.4 % |
| Retail Client Assets (\$MM) | | | | | | |
| Client assets in investing/trading accounts | \$187,135 | \$181,237 | 3.3 % | \$187,135 | \$174,674 | 7.1 % |
| Client assets in deposit accounts | 27,267 | 26,316 | 3.6 % | 27,267 | 25,809 | 5.6 % |
| Total retail client assets | \$214,402 | \$207,553 | 3.3 % | \$214,402 | \$200,483 | 6.9 % |

⁽¹⁾ Q207 quarter-to-date ("QTD") includes results for the two months ended May 31, 2007.

Historical monthly metric data from January 2003 to May 2007 can be found on the E*TRADE FINANCIAL investor relations site at <https://investor.etrade.com/>.

About E*TRADE FINANCIAL

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