



E*TRADE FINANCIAL Leverages Acquisitions to Accelerate Delivery of Advanced Research, Investment Tools and Services for Retail Investors

Institutional Research and IRA Cash Management Now Available to Qualified Customers

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New York, NY, January 10, 2006 - E*TRADE Securities LLC, a wholly-owned subsidiary of E*TRADE FINANCIAL Corporation (NYSE: ET), today announced the availability of enhanced investment tools and services for retail investors.

Recent consolidation activity has accelerated the pace of product enhancements at E*TRADE, with the introduction of solutions and features geared to help investors manage their portfolio with more online information and guidance. Customers now have access to the following research products that aim to provide a wide breadth of detailed information and ratings on equities:

- Premium institutional-quality research-customers with \$100K or more in assets at E*TRADE will have free access to institutional equity research on over 850 leading U.S. companies within 50 industries.
- Expanded free research offerings from industry-recognized Independent Research Providers (IRPs), such as Reuters and Standard & Poor's, for all customers-consensus ratings, analyst ratings, and news from leading vendors are now available.
- Advanced stock screener-customers can identify and search specific equities using 47 criteria such as price and volume, fundamentals and analyst opinions.
- Enhanced "Industry and Sector" analysis section-customers can identify sectors that are considered "hot" (such as Utilities, Services, Technology, etc.) and compare sectors.

Integrating Retirement Accounts with Cash Management Tools

Continuing the integration of cash management solutions that began with the introduction of the E*TRADE Complete(TM) Investment Account in 2005, eligible customers now have a number of cash management features in their IRA when they upgrade to an E*TRADE Complete(TM) IRA. Customers who are age 59 1/2 can write checks, pay bills electronically and use debit cards within their Traditional IRA, IRA Rollover, Roth IRA, Roth IRA Conversion, Simple IRA or SEP IRA.

Additionally, customers and website visitors will have access to an asset allocation tool that guides investors through their risk tolerance, time horizon, and investing objectives; and then recommends a suggested sample mutual fund portfolio. Additional features to be added in Q1 '06 will include a comparative of a customer's selected E*TRADE account holdings to the suggested portfolio, which will indicate if the account is over- or under-weight in any asset class (large cap, small cap, international, fixed income, and cash), and will then permit customers to purchase the suggested mutual funds.

Complimentary Web-Based Education Now On Offer

E*TRADE Securities is committed to providing investors with research and education to help them make thoughtful investment decisions. The Company offers free web seminars on beginning to advanced trading and risk management strategies, including technical analysis and options, that are exclusive to all E*TRADE customers.

"The pace of consolidation activity at E*TRADE benefits customers in numerous ways-E*TRADE customers now have a broader portfolio of tools and services with which to manage their investments," said Michael Curcio, executive vice president of Retail, E*TRADE Securities. "Our strategy is to grow our customer base by drawing investors to these new features, and to keep them at E*TRADE with our differentiated and integrated banking, investing and lending solutions."

The most recent enhancements join a long list of unique investment features and benefits at E*TRADE, such as:

- The financial industry's first two-factor authentication security program for retail investors
- The E*TRADE Complete Investment Account with Intelligent Cash Optimizer¹
- The E*TRADE(R) Mileage Maximizer Account credit card balance transfer solution
- The 12b-1 mutual fund rebate program²
- The 2-Second Execution Guarantee³
- The lowest cost ratio Index Funds in the industry⁴

1 The Intelligent Cash Optimizer is available to all customers maintaining a balance of \$50,000 or more in combined E*TRADE Securities and E*TRADE Bank accounts or by making at least 30 stock or options trades per quarter. It is a unique, dynamic cash management modeling tool that illustrates the earning potential for your uninvested cash.

2 For details and important information about the 12b-1 rebate program, please visit www.etrade.com/fundrebate for a list of participating funds and specific restrictions such as account eligibility, tax consequences, and payment schedules. The E*TRADE Index Funds do not charge 12b-1 fees and are not part of the rebate program.

3 Qualifying orders for the 2-second execution guarantee are limited to market orders to buy, sell, or buy-to-cover from 100 to 500 shares of the stocks included in the S&P 500 Index (and exchange-traded funds, if applicable) received between 9:45 a.m. and 3:59 p.m. For more details and information about the 2-second execution guarantee, please visit www.etrade.com/2secondguarantee.

4 For important information and details about the lowest-cost E*TRADE Index Funds, please visit www.etradefunds.com. As commissioned by E*TRADE Asset Management, Inc., Lipper determined that the E*TRADE Index Funds had the lowest effective expenses as of January 4, 2006, by comparing them to other Pure Index Funds in the same Lipper Investment Classifications/Objective, while excluding institutional and other mutual funds requiring minimum investments of \$100,000 or more and exchange-traded funds. The E*TRADE Index Funds expenses are the lowest because they are contractually limited through April 30, 2006. There is no assurance that the expense limits will continue beyond April 30, 2006.

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.

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