



E*TRADE FINANCIAL CORPORATION CALLS CONVERTIBLE SUBORDINATED NOTES

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New York, March 14, 2006-E*TRADE FINANCIAL Corporation (NYSE: ET) announced today that it has called half, or approximately \$92.6 million, of the remaining principal amount outstanding of its 6% Convertible Subordinated Notes due 2007 (the "2007 Notes") for redemption on Tuesday, April 4, 2006. The 2007 Notes bear CUSIP Nos. 269246AB0 and 269246AA2.

On or prior to the close of business on Monday, April 3, 2006, holders of the 2007 Notes may elect to convert their 2007 Notes into common stock of E*TRADE FINANCIAL Corporation at a conversion price of \$23.60 per share by surrendering the 2007 Notes in accordance with the indenture to The Bank of New York, as conversion agent. Holders of 2007 Notes held in book-entry form through the Depository Trust Company (DTC) must follow the DTC's customary practices. Currently, approximately \$185.2 million principal amount of the 2007 Notes is outstanding. As of March 13, 2006, the closing price of E*TRADE FINANCIAL's common stock on the New York Stock Exchange was \$24.51.

To the extent that holders of the 2007 Notes do not convert their 2007 Notes into common stock of E*TRADE FINANCIAL, such 2007 Notes may be redeemed on April 4, 2006 at a redemption price of \$1,008.60 per \$1,000 face amount, plus accrued and unpaid interest to, but excluding, April 4, 2006. On or before April 3, 2006, such 2007 Notes should be presented to The Bank of New York, as paying agent for the redemption, at the address set forth in the Notice of Redemption, dated March 14, 2006, sent that day to all registered holders. 2007 Notes called for redemption will cease to accrue interest as of April 4, 2006.

The above-referenced CUSIP numbers are included solely for the convenience of the holders of 2007 Notes. No representation is made as to the correctness of such numbers.

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.

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