



E*TRADE FINANCIAL Enhances the Complete Investment Account with New Investing and Lending Optimization Tools

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New York, June 20, 2006- E*TRADE FINANCIAL Corporation (NYSE: ET) today announced a series of functionality enhancements to the E*TRADE Complete(TM) Investment Account designed to help retail customers optimize their investing and borrowing relationships while evaluating their portfolio risk. With the addition of three new, free of charge tools - the Intelligent Lending Optimizer, the Intelligent Investing Optimizer and the Risk Analyzer - E*TRADE Complete delivers unique and industry-leading functionality enabling customers to optimize their security holdings, cash and credit through one integrated and easy to use account.

"Our customers turn to E*TRADE for innovative and high-value functionality to enhance the performance of their financial relationships," said Michael Curcio, Managing Director of Retail, E*TRADE FINANCIAL. "Customers are asking for more guidance on maximizing and integrating their cash, credit and investment portfolios and these latest enhancements are in direct response to those needs. The significant organic growth in cash, assets and credit that we have experienced since the launch of E*TRADE Complete is evidence that our products are resonating."

Managing Debt with the Intelligent Lending Optimizer

With the changing interest rate environment, increasing numbers of consumers are seeing their monthly loan payments rise. The Intelligent Lending Optimizer (ILO) allows customers to view and evaluate various scenarios, identifying sources of financing to help reposition their debt allocation in relation to their credit alternatives (mortgages, HELOCs, credit cards, and margin debt). Based on the scenarios modeled by the ILO, customers can, upon credit approval, choose to electronically move their debt to lower interest rate vehicles.

Managing Investments with the Intelligent Investing Optimizer

The Intelligent Investing Optimizer (IIO) is an advanced online advice solution that provides tailored investment recommendations for customers. Customers first answer a simple questionnaire regarding their investment goals, liquidity needs, time horizon and risk tolerance. Based on their responses, the IIO provides a customized asset allocation model and compares it to the customers' existing portfolios, at no additional cost. For customers with at least \$50,000 in uninvested cash, the tool offers specific no-load, no transaction fee mutual fund recommendations.

Managing Risk with the Risk Analyzer

The Risk Analyzer is an online, risk management tool created with RiskMetrics Group, a leading financial risk management firm, and is also offered free of charge to customers. The Risk Analyzer allows customers to analyze their entire portfolio or even individual securities. Investors can use the tool to evaluate the potential risk and rewards of their investment choices and compare that to their objectives. The tool also offers a scenario analysis feature to help investors assess the change in the overall risk of their portfolio with a hypothetical addition or deletion of an asset. Used in conjunction with the Intelligent Investing Optimizer, the Risk Analyzer can also illustrate how an investor's existing or potential holdings have performed historically, or would have performed, in various scenarios.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing, cash management 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. Lending products are subject to credit approval.

Important Notices

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.

Securities products and services offered by E*TRADE Securities LLC, Member NASD/SIPC. Banking and lending products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries. E*TRADE Securities LLC and E*TRADE Bank are separate but affiliated companies.

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