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**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR JULY 2009**

New York, August 19, 2009 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for July. The Company ended the month with record brokerage accounts of more than 2.7 million, including gross new brokerage accounts of 30,019 and net new brokerage accounts of 7,467. Total accounts ended the month at more than 4.5 million. Total Daily Average Revenue Trades (“DARTs”) for July were 176,180 – a decrease of 10.3 percent from June and 3.6 percent from the year ago period.

Brokerage related cash increased 6.2 percent in July, while security holdings increased 8.1 percent. This was offset by a \$415 million reduction in Bank related customer cash and deposits, as the Company continued to execute on its balance sheet reduction strategy. This led to a 6.6 percent increase in total customer assets in the month and flat net new customer assets. Customers were net sellers of approximately \$800 million in securities in July.

(more)

Monthly Activity Data

	<u>Jul-09</u>	<u>Jun-09</u>	<u>Jul-08</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	22.0	22.0	21.5	N.M.	N.M.
Daily Average Revenue Trades	176,180	196,319	182,835	(10.3)%	(3.6)%
Gross new brokerage accounts	30,019	38,161	38,466	(21.3)%	(22.0)%
Gross new stock plan accounts	12,496	13,167	16,973	(5.1)%	(26.4)%
Gross new banking accounts	3,406	4,103	20,901	(17.0)%	(83.7)%
Total gross new accounts	<u>45,921</u>	<u>55,431</u>	<u>76,340</u>	(17.2)%	(39.8)%
Net new brokerage accounts	7,467	(1,512)	10,555	N.M.	N.M.
Net new stock plan accounts	(9,696)	3,211	2,822	N.M.	N.M.
Net new banking accounts	(12,052)	(14,693)	2,702	N.M.	N.M.
Net new accounts	<u>(14,281)</u>	<u>(12,994)</u>	<u>16,079</u>	N.M.	N.M.
End of period brokerage accounts	2,722,119	2,714,652	2,511,120	0.3 %	8.4 %
End of period stock plan accounts	1,010,280	1,019,976	1,021,635	(1.0)%	(1.1)%
End of period banking accounts	782,070	794,122	805,776	(1.5)%	(2.9)%
End of period total accounts	<u>4,514,469</u>	<u>4,528,750</u>	<u>4,338,531</u>	(0.3)%	4.1 %
<u>Customer Assets (\$MM)</u>					
Security holdings	\$ 104,279	\$ 96,456	\$ 128,602	8.1 %	(18.9)%
Brokerage related cash	19,330	18,204	17,432	6.2 %	10.9 %
Other customer cash and deposits	15,078	15,493	16,129	(2.7)%	(6.5)%
Total customer assets	<u>\$ 138,687</u>	<u>\$ 130,153</u>	<u>\$ 162,163</u>	6.6 %	(14.5)%
Net new customer assets (\$B)	\$ 0.0	\$ 0.1	\$ 0.6	N.M.	N.M.

Historical Monthly Activity Data from January 2006 to July 2009 can be found on the E*TRADE FINANCIAL investor relations site at <https://investor.etrade.com>.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including online brokerage and related banking products and services to retail investors. Specific business segments include Trading and Investing, and Balance Sheet Management. Securities products and services are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Bank products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries.

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