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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR JANUARY 2009

New York, February 18, 2009 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for January. The Company opened 75,141 gross new retail accounts in January, with net new retail accounts of 22,275, more than half of which were brokerage accounts. The Company's total retail accounts now stand at a record 4.56 million. Total Daily Average Revenue Trades ("DARTs") increased 2.8 percent sequentially to 184,158.

Asset flows for the month continued to be positive, as the Company realized more than \$1 billion in net new customer assets, marking the fourth consecutive month of positive inflows. Total customer cash and deposits (including brokerage related cash) increased by \$344 million during the month. Customers were net buyers of approximately \$900 million in securities in January.

Monthly Activity Data

	<u>Jan-09</u>	<u>Dec-08</u>	<u>Jan-08⁽¹⁾</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	20.0	21.5	21.0	N.M.	N.M.
Daily Average Revenue Trades	184,158	179,162	200,809	2.8 %	(8.3)%
Gross new brokerage accounts	36,022	45,164	41,867	(20.2)%	(14.0)%
Gross new stock plan accounts	15,717	14,741	17,640	6.6 %	(10.9)%
Gross new banking accounts	23,402	18,259	48,471	28.2 %	(51.7)%
Total gross new retail accounts	<u>75,141</u>	<u>78,164</u>	<u>107,978</u>	(3.9)%	(30.4)%
End of period brokerage accounts	2,610,999	2,597,343	2,456,694	0.5 %	6.3 %
End of period stock plan accounts	1,015,472	1,018,730	1,043,436	(0.3)%	(2.7)%
End of period banking accounts	928,838	916,961	814,869	1.3 %	14.0 %
Total end of period retail accounts	<u>4,555,309</u>	<u>4,533,034</u>	<u>4,314,999</u>	0.5 %	5.6 %
<u>Retail Customer Assets (\$MM)</u>					
Security holdings	\$ 76,373	\$ 79,941	\$ 136,693	(4.5)%	(44.1)%
Brokerage related cash	15,881	16,209	17,622	(2.0)%	(9.9)%
Other customer cash and deposits	16,720	16,048	15,098	4.2 %	10.7 %
Total retail customer assets	<u>\$ 108,974</u>	<u>\$ 112,198</u>	<u>\$ 169,413</u>	(2.9)%	(35.7)%

⁽¹⁾ These metrics have been re-presented to exclude activity from discontinued operations.

Historical monthly metrics data from January 2006 to January 2009 can be found on the E*TRADE FINANCIAL investor relations site at <https://investor.etrade.com>.

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