

**FOR IMMEDIATE RELEASE**

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**E\*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY  
FOR NOVEMBER 2009;  
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES AND  
ANNOUNCES RESTRUCTURING OF INTERNATIONAL ACTIVITIES**

**New York, December 16, 2009** – E\*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for November and provided intra-quarter loan portfolio delinquencies as well as an update to its international business strategy.

The Company ended November with more than 2.7 million brokerage accounts, including gross new brokerage accounts of 27,522 and net new brokerage accounts of 306 during the month. Total accounts ended the month at approximately 4.5 million. Total Daily Average Revenue Trades (“DARTs”) for November were 170,300 – a decrease of 13 percent from October and 22 percent from the year ago period. Year-to-date through November, DARTs are up 6 percent from the same period last year.

Customer security holdings increased by \$6 billion in November and brokerage-related cash increased by \$0.5 billion, while bank-related cash and deposits declined by \$0.3 billion, as the Company continued to execute its ongoing strategy to reduce bank-related deposits. Net new brokerage assets were \$0.4 billion in the month. Customers were net sellers of approximately \$200 million in securities in November.

The Company updated delinquency statistics in its loan portfolio. For the Company’s entire loan portfolio, total special mention delinquencies (30 to 89 days delinquent) declined 3 percent from September 30 to November 30, while total “at risk” delinquencies (30 to 179 days delinquent) declined 2 percent for the same period. For its home equity portfolio, which represents the Company’s greatest exposure to loan losses, special mention delinquencies declined by 8 percent from September 30 to November 30, while total “at risk” delinquencies declined by 5 percent for the same period.

Detailed information concerning loan delinquencies is provided in table form on page 4 of this release.

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## RESTRUCTURING OF INTERNATIONAL ACTIVITIES

The Company also commented on its international business strategy. It currently engages in two international lines of business:

- Cross-border trading, where customers residing outside of the U.S. trade in U.S. securities.
- Local market trading, where customers residing outside of the U.S. trade in non-U.S. securities.

Cross-border trading represents the key strategic component of E\*TRADE's global investing offering and is a competitive differentiator for the Company. The Company intends to operationally restructure its cross-border trading line of business to obtain efficiencies and higher margins. Additionally, following a careful review and assessment of competitiveness and profitability, the Company is also pursuing an exit of local market trading. E\*TRADE has recently entered into agreements to sell its local market trading operations in Germany and the Nordic region.

“Given our recapitalization and the positioning of the Company for a return to long-term growth and profitability, we continue to sharpen our focus on products and markets where our business has strong margins and competitive advantage. This international restructuring is designed to improve profitability in our offshore operations and reinforces that we expect our future growth to come from our U.S. online brokerage franchise,” said Donald H. Layton, Chairman and CEO, E\*TRADE FINANCIAL Corporation.

The Company also offers a global trading product to its U.S. customers, enabling equity trading in six international markets and five currencies. This product offering is not affected by the restructuring of the Company's international cross-border and local market trading operations.

Customer metrics have been updated to segregate cross-border and local market trading volumes. Restated historical metrics can be found on the Company's Investor Relations website at <https://investor.etrade.com>

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**Monthly Activity Data**

	<u>Nov-09</u>	<u>Oct-09</u>	<u>Nov-08</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	19.5	22.0	18.5	N.M.	N.M.
<u>DARTs</u>					
U.S.	148,603	171,497	189,216	(13.3)%	(21.5)%
International (cross-border)	4,620	5,715	4,945	(19.2)%	(6.6)%
International (local)	17,077	17,450	23,677	(2.1)%	(27.9)%
Total DARTs	<u>170,300</u>	<u>194,662</u>	<u>217,838</u>	(12.5)%	(21.8)%
Gross new brokerage accounts	27,522	30,348	50,689	(9.3)%	(45.7)%
Gross new stock plan accounts	16,743	19,411	13,836	(13.7)%	21.0 %
Gross new banking accounts	1,961	2,648	15,746	(25.9)%	(87.5)%
Total gross new accounts	<u>46,226</u>	<u>52,407</u>	<u>80,271</u>	(11.8)%	(42.4)%
Net new brokerage accounts	306	3,360	16,749	N.M.	N.M.
Net new stock plan accounts	1,835	7,216	2,742	N.M.	N.M.
Net new banking accounts	(11,111)	(13,145)	1,993	N.M.	N.M.
Net new accounts	<u>(8,970)</u>	<u>(2,569)</u>	<u>21,484</u>	N.M.	N.M.
End of period brokerage accounts	2,732,803	2,732,497	2,593,981	0.0 %	5.4 %
End of period stock plan accounts	1,027,066	1,025,231	1,019,842	0.2 %	0.7 %
End of period banking accounts	734,799	745,910	816,188	(1.5)%	(10.0)%
End of period total accounts	<u>4,494,668</u>	<u>4,503,638</u>	<u>4,430,011</u>	(0.2)%	1.5 %
<u>Customer Assets (\$MM)</u>					
Security holdings	\$ 114,927	\$ 109,026	\$ 78,697	5.4 %	46.0 %
Brokerage related cash	20,793	20,259	15,935	2.6 %	30.5 %
Other customer cash and deposits	13,276	13,620	15,513	(2.5)%	(14.4)%
Total customer assets	<u>\$ 148,996</u>	<u>\$ 142,905</u>	<u>\$ 110,145</u>	4.3 %	35.3 %
Net new customer assets (\$B)	\$ 0.1	\$ 0.0	\$ 1.0	N.M.	N.M.

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Loan Delinquency Data<sup>(1)</sup>

	Nov-09	Oct-09	Sep-09	% Chg. Nov 09 - Oct 09	% Chg. Oct 09 - Sep 09	% Chg. Nov 09 - Sep 09
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 9,050	\$ 9,266	\$ 9,501	(2)%	(2)%	(5)%
30-89 days delinquent	524	536	528	(2)%	2 %	(1)%
90-179 days delinquent	387	386	386	0 %	0 %	0 %
Total 30-179 days delinquent	911	922	914	(1)%	1 %	(0)%
180+ days delinquent <sup>(2)</sup>	837	837	799	0 %	5 %	5 %
Total delinquent loans	1,748	1,759	1,713	(1)%	3 %	2 %
Gross loans receivable <sup>(3)</sup>	\$ 10,798	\$ 11,025	\$ 11,214	(2)%	(2)%	(4)%
<u>Home Equity (\$MM)</u>						
Current	\$ 7,498	\$ 7,624	\$ 7,734	(2)%	(1)%	(3)%
30-89 days delinquent	249	251	270	(1)%	(7)%	(8)%
90-179 days delinquent	205	204	208	0 %	(2)%	(1)%
Total 30-179 days delinquent	454	455	478	(0)%	(5)%	(5)%
180+ days delinquent <sup>(2)</sup>	62	67	66	(7)%	2 %	(6)%
Total delinquent loans	516	522	544	(1)%	(4)%	(5)%
Gross loans receivable <sup>(3)</sup>	\$ 8,014	\$ 8,146	\$ 8,278	(2)%	(2)%	(3)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 1,848	\$ 1,880	\$ 1,931	(2)%	(3)%	(4)%
30-89 days delinquent	33	34	30	(3)%	13 %	10 %
90-179 days delinquent	6	5	5	20 %	0 %	20 %
Total 30-179 days delinquent	39	39	35	0 %	11 %	11 %
180+ days delinquent <sup>(2)</sup>	10	9	10	11 %	(10)%	0 %
Total delinquent loans	49	48	45	2 %	7 %	9 %
Gross loans receivable <sup>(3)</sup>	\$ 1,897	\$ 1,928	\$ 1,976	(2)%	(2)%	(4)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 18,396	\$ 18,770	\$ 19,166	(2)%	(2)%	(4)%
30-89 days delinquent	806	821	828	(2)%	(1)%	(3)%
90-179 days delinquent	598	595	599	1 %	(1)%	(0)%
Total 30-179 days delinquent	1,404	1,416	1,427	(1)%	(1)%	(2)%
180+ days delinquent <sup>(2)</sup>	909	913	875	(0)%	4 %	4 %
Total delinquent loans	2,313	2,329	2,302	(1)%	1 %	0 %
Total gross loans receivable <sup>(3)</sup>	\$ 20,709	\$ 21,099	\$ 21,468	(2)%	(2)%	(4)%

<sup>(1)</sup> Amounts and percentages may not calculate due to rounding.

<sup>(2)</sup> Loans that are delinquent for 180+ days have been written down to the estimated current property value.

<sup>(3)</sup> Includes unpaid principal balances and premiums (discounts).

Historical Monthly Activity Data from January 2006 to November 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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### **Important Notices**

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**Forward-Looking Statements.** 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. Forward-looking statements include, but are not limited to, those relating to the Company's plans to restructure its cross-border trading line of business, the competitive differentiation of that business, the Company's plans to exit local market trading in certain geographies and the closing of the transactions contemplated by agreements to sell local market trading operations in certain geographies, the positioning of the Company for a return to long-term growth and profitability, the Company's ability to improve profitability in its offshore operations and the growth of the Company's U.S. online brokerage franchise. Uncertainties and risks related to these forward-looking statements include potential changes in U.S. and cross-border market activity and expenses, changes in the rate of new customer acquisition, macro trends of the economy in general and the residential real estate market, instability in the consumer credit markets and credit trends, increased mortgage loan delinquency and default rates, portfolio growth, portfolio seasoning and resolution through collections, sales or charge-offs and the potential negative regulatory consequences resulting from actions by the Office of Thrift Supervision or other regulators. Further information about these risks and uncertainties can be found in our annual, quarterly and current reports on Form 10-K and Form 10-Q previously filed by E\*TRADE FINANCIAL Corporation with the SEC (including information in these reports under the caption "Risk Factors"). Any forward-looking statement included in this release speaks only as of the date of this communication; the Company disclaims any obligation to update any information.