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E*TRADE EXPANDS ADVICE OFFERINGS WITH MANAGED INVESTMENT PORTFOLIOS

A simple, low-cost solution that delivers ongoing professional portfolio management to help investors navigate complex market dynamics

NEW YORK, NY – February 9, 2010 – E*TRADE FINANCIAL Corp. (NASDAQ: ETFC) today announced that E*TRADE Capital Management, LLC, has expanded its high-quality advice offerings with the addition of actively managed portfolios of leading, non-proprietary mutual funds or ETFs, which allocate assets based on the customer's investment profile.

Managed Investment Portfolios make one-on-one professional portfolio management accessible to investors with an investment of \$25,000 or more – a fraction of what many investment advisers require to access their services. Leveraging the asset allocation expertise of industry leader PNC Managed Investments, the mutual fund and ETF portfolios offer a range of investment styles from conservative to aggressive growth and feature automatic rebalancing to ensure proper diversification.

“As a result of the volatile markets, investors are looking for easy access to ongoing, high-quality advice that won't chip away at their investment gains. They want to know that someone is watching out for their nest egg and working to ensure their portfolio stays balanced to help them reach their long-term investing goals,” said Michael Curcio, President, E*TRADE Capital Management. “Managed Investment Portfolios provide customers with high-quality, unbiased advice at a low barrier to entry through a channel that ensures solutions are focused on the customer's individual goals.”

A smart choice for individuals who are planning for retirement, saving for college, rolling over a 401(k) or simply investing a lump sum, Managed Investment Portfolios deliver professional portfolio management in a cost effective manner. Customers begin with a complimentary goals assessment with an investment professional – either over the phone or in-person – to determine investment goals, risk tolerance and time horizon.

As a fully discretionary product, E*TRADE Capital Management reviews and approves the investment decisions and executes all the transactions in the portfolio, with customers paying a low, asset-based fee. The investment team begins the investment process with a broad-based asset allocation strategy based on the customer's investment profile. Investments for the Managed Investment Portfolios are selected using a proprietary "five-stage due diligence" model that:

- Screens preliminary factors to identify investment options;
- Performs quantitative performance analysis including performance history, performance vs. benchmark, diversification and portfolio turnover;
- Evaluates qualitative factors including quality of fund family, investment team, strategy track record, and potential surprises;
- Is reviewed and approved by E*TRADE Capital Management's investment policy committee;
- Provides ongoing monitoring, risk management and periodic rebalancing to make adjustments as needed with an eye toward achieving the Portfolio's long-term objectives.

"Managed Investment Portfolios are a key milestone in the evolution of our business strategy to focus on attracting mass affluent investors while gaining a greater share of our customers' investable assets," continued Mr. Curcio. "Leveraging PNC Managed Investments' robust platform and investment research expertise will allow us to expand the advisory products we offer over time into areas like separately managed and unified managed accounts."

PNC Managed Investments Inc. provides E*TRADE Capital Management with administrative services, investment research, portfolio selection recommendations and due diligence support for E*TRADE's use in connection with its Managed Investment Portfolio offering. PNC Managed Investments offers recommended asset allocation models and associated screening of mutual funds and ETFs. The allocation models, mutual funds and ETFs are then reviewed

and approved by E*TRADE Capital Management's investment policy committee. Neither PNC Managed Investments Inc. nor its affiliates act as investment adviser or otherwise provide investment advisory services to Managed Investment Portfolio customers.

For more information about E*TRADE's advice offerings, visit www.etrade.com/managed.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services that include trading, investing, investment advisory services and related banking products and services to retail investors.

Advisory services are offered through E*TRADE Capital Management, LLC, an investment adviser registered with the Securities and Exchange Commission. Customers are required to complete additional forms and documentation in order to receive such services. Upon written request, we will send you a free copy of the firm's Form ADV Part II, which describes, among other things, affiliations, services offered and fees charged. E*TRADE Capital Management provides advice on mutual funds, exchange-traded funds, and asset allocation.

E*TRADE Capital Management provides advice services for a fee based on the amount of assets held in your Managed Investment Portfolio. Please refer to your advisory agreement for a full description of the services provided and fee structure.

Brokerage and custodial services for E*TRADE Capital Management's Managed Investment Portfolios are provided by E*TRADE Securities LLC, Member FINRA/SIPC.

E*TRADE Capital Management's investment adviser representatives may be dually registered representatives of E*TRADE Securities, a registered broker-dealer and E*TRADE Capital Management, an SEC registered investment adviser.

E*TRADE Securities and E*TRADE Capital Management are wholly owned separate subsidiaries of E*TRADE FINANCIAL Corp. under common ownership and control.

E*TRADE Capital Management has entered into an arrangement with PNC Managed Investments Inc., formerly known as ADVISORport, Inc. ("PNCMI"), a PNC Global Investment Servicing Company and an investment adviser registered with SEC, whereby PNCMI provides impersonal advisory and technology services directly to E*TRADE Capital Management for E*TRADE's use in its Managed Investment Portfolios offering. On February 2, 2010, BNY Mellon announced that it had entered into a definitive agreement to acquire PNC Global Investment Servicing, Inc., the parent company of PNC Managed Investments, Inc. The transaction is expected to close in the third quarter of 2010, subject to necessary regulatory approvals.

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