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E*TRADE FINANCIAL APPOINTS FRANK J. PETRILLI CHAIRMAN OF THE BOARD

NEW YORK, January 30, 2012 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that its Board of Directors named Frank J. Petrilli, an experienced financial services leader, as the Company’s Chairman of the Board effective January 27, 2012. Steven Freiberg, Chief Executive Officer of E*TRADE Financial, has held the role on an interim basis since the departure of Robert Druskin in May 2011. Mr. Petrilli was also appointed to the Company’s Nominating and Corporate Governance Committee. Mr. Freiberg will remain on the Board and in his position as the Company’s CEO.

“A seasoned veteran and well-recognized leader in our industry, Frank’s experience makes him an ideal addition to our Board. In addition to his in-depth understanding of both securities brokerage and consumer banking businesses, Frank has a proven record of leading successful growth in the retail investing segment,” said Steven Freiberg. “With the financial foundation of our Company strengthened and our focus on growing the core brokerage franchise at the forefront of our efforts, I am confident that Frank’s experience and leadership will be a significant advantage to the Board and to the Company as we continue to execute on our strategic plans.”

Mr. Petrilli, 61, has over 30 years’ experience in investing and financial services. Most recently, he was Chief Executive Officer of Surge Trading, Inc. and previously served as President and Chief Executive Officer of Nexxar Group, Inc. From 1995 to 2004 he held several positions at TD Waterhouse, during that period a US subsidiary of TD Bank Group, including President and CEO. During his tenure, he was responsible for the firm’s strategic development and growth, as well as numerous innovations including the launch of online investing and the formation of TD Waterhouse Bank. Prior to TD Waterhouse, he was President and Chief Operating Officer of American Express Centurion Bank. Mr. Petrilli has served on various non-profit Boards, including the American Red Cross in Greater New York, Big Brothers Big Sisters of NYC, and Fordham University. He holds a Bachelor of Science from Fordham College of Business, an M.B.A. from Fordham Graduate School of Business and he received his Chartered Financial Analyst (CFA) designation in 1986.

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. More information is available at www.etrade.com.

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