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E*TRADE FINANCIAL Media Relations Contact

Pam Erickson

617-296-6080

pam.erickson@etrade.com

E*TRADE FINANCIAL Investor Relations Contact

Brett Goodman

646-521-4406

brett.goodman@etrade.com

E*TRADE CORPORATE SERVICES LAUNCHES NEW ONLINE EQUITY COMPENSATION MANAGEMENT PLATFORM

Equity Edge Online™ Addresses Workforce, Accounting, Compliance and Reporting Challenges Facing Equity Compensation Professionals

NEW YORK, NY – October 7, 2009 – E*TRADE FINANCIAL Corp. (NASDAQ: ETFC) today announced the launch of Equity Edge Online, the new web-based, integrated, end-to-end equity compensation management platform from E*TRADE FINANCIAL Corporate Services. In an ever-changing regulatory environment, Equity Edge Online provides flexible, accurate and auditable financial reporting, enabling companies to save time, reduce costs and increase efficiencies in their employee stock plan solutions¹.

“Equity as a means of employee compensation is gaining popularity as companies seek to attract and retain top talent. However, issuing stock grants presents challenges, including how to administer and report this benefit in an evolving accounting and regulatory environment,” said James Wulforst, President of E*TRADE FINANCIAL Corporate Services. “Our extensive experience working with Fortune 500 companies uniquely positions us to help corporations address these equity compensation challenges with the fully customizable, integrated solution available through Equity Edge Online.”

Building on the success of the Equity Edge® software, the new online platform supports most equity vehicles – including stock options, restricted stock awards and units, appreciation rights and employee stock purchase programs – and is a fully integrated, end-to-end solution benefiting corporate administrators as well as employees.

Key Features of Equity Edge Online:

- **Comprehensive accounting with period close capabilities**
 - Retrieve identical values to those reported at the time any period was closed
 - Capture the impact of out-of-period transactions entered after a period is closed
 - Use a restricted mode to prevent data changes while a period is being closed
 - Maintain multiple overlapping periods to help meet accounting and financial reporting requirements
- **Easy scenario modeling**
 - Develop test scenarios quickly and easily without the need to tap IT resources
 - Test the impact of different plan designs without impacting production data

- Test large events such as restricted stock release before execution
- Train users in a risk-free environment
- **Advanced reporting**
 - Customize reporting: adjust, modify or create reports from scratch
 - Run multiple reports simultaneously and in the background while doing other work
 - Easily save and share reports across the company
- **Greater efficiency while saving money**
 - Manage stock plan administration tasks from a single log-on screen
 - Free up compliance, accounting and IT resources with one-click audits and no-hassle upgrades
 - Collaborate in real-time with colleagues worldwide, 24 hours a day, 7 days a week
 - Save money with powerful tools at no additional expense like full period close capabilities and customized reporting

With more than 25 years experience, E*TRADE FINANCIAL Corporate Services is the premier provider of equity compensation management tools and the equity compensation provider for many of the world's top companies, including 25 percent of the S&P 500. It is also a key channel for E*TRADE FINANCIAL's growth, as Corporate Services clients are a proven source of mass affluent customers for E*TRADE Securities LLC.

To learn more about E*TRADE FINANCIAL Corporate Services or Equity Edge Online, or to inquire about pricing, please visit: www.etrade.com/corporateservices.

¹ E*TRADE Corporate Services and its affiliates do not provide legal, accounting or tax advice. Consult your own advisors for legal, accounting or tax advice.

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. Employee stock plan solutions are offered by E*TRADE FINANCIAL Corporate Services, Inc.

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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. The uncertainties and risks include, but are not limited to, potential negative regulatory consequences resulting from actions by the Office of Thrift Supervision or other regulators and related matters. Additional uncertainties and risks affecting the business, financial condition, results of operations and prospects of the Company include, but are not limited to, potential changes in market activity, anticipated changes in the rate of new customer acquisition, the conversion of new visitors to the site to customers, the activity of customers and assets held at the institution, seasonality, macro trends of the economy in general and the

residential real estate market, instability in the consumer credit markets and credit trends, rising mortgage interest rates, tighter mortgage lending guidelines across the industry, increased mortgage loan delinquency and default rates, portfolio growth, portfolio seasoning and resolution through collections, sales or charge-offs, the development and enhancement of products and services, competitive pressures (including price competition), system failures, economic and political conditions, including changes to the U.S. Treasury's Troubled Asset Relief Program, changes in consumer behavior and the introduction of competing products having technological and/or other advantages. Further information about these risks and uncertainties can be found in the "Risk Factors" section of the Company's prospectus supplement dated September 14, 2009, and in the information included or incorporated in the annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K previously filed by E*TRADE FINANCIAL Corporation with the SEC (including information 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.

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