



E*TRADE FINANCIAL Corporation Reports Monthly Activity for February 2009 and Provides Loan Portfolio Delinquency Update

March 18, 2009

NEW YORK, Mar 18, 2009 (BUSINESS WIRE) -- E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for February and provided an intra-quarter update on its loan portfolio delinquencies.

The Company opened 62,361 gross new retail accounts in February, with net new retail accounts of 10,684. This included 11,998 net new brokerage accounts and 3,227 net new banking accounts, offset by a net loss of 4,541 stock plan accounts. The Company's total retail accounts now stand at a record 4.57 million. Total Daily Average Revenue Trades ("DARTs") decreased 1.3 percent sequentially to 181,744.

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

The Company also provided an update concerning delinquencies in its loan portfolio. Given the importance of such data in the current economic environment, the Company intends to provide an update midway between quarterly earnings releases in 2009, either in connection with an investor presentation or as a supplement to a Monthly Activity Report.

The data show that "special mention" delinquencies (30 to 89 days delinquent) for its home equity portfolio, which represents the Company's greatest exposure to loan losses, declined by 9 percent in January from December and by another 8 percent in February from January (a cumulative decline of 16 percent since December 2008). Home equity "at risk" delinquencies (30 to 179 days delinquent) show a cumulative decline of 1 percent quarter to date.

Total special mention delinquencies for the Company's loan portfolio, which also includes one- to four-family first liens and consumer and other loans, declined by 3 percent in January from December and by 4 percent in February from January (a cumulative decline of 7 percent since December 2008).

Detailed information concerning the loan delinquencies is provided in table form on page 3 of this release.

Monthly Activity Data

	Feb-09	Jan-09	Feb-08 ⁽¹⁾	% Chg. M/M	% Chg. Y/Y
Trading days	19.0	20.0	20.0	N.M.	N.M.
Daily Average Revenue Trades	181,744	184,158	165,562	(1.3)%	9.8 %
Gross new brokerage accounts	36,100	36,022	42,100	0.2 %	(14.3)%
Gross new stock plan accounts	10,977	15,717	14,205	(30.2)%	(22.7)%
Gross new banking accounts	15,284	23,402	42,042	(34.7)%	(63.6)%
Total gross new retail accounts	62,361	75,141	98,347	(17.0)%	(36.6)%
End of period brokerage accounts	2,622,997	2,610,999	2,472,959	0.5 %	6.1 %
End of period stock plan accounts	1,010,931	1,015,472	1,039,262	(0.4)%	(2.7)%
End of period banking accounts	932,065	928,838	843,038	0.3 %	10.6 %
Total end of period retail accounts	4,565,993	4,555,309	4,355,259	0.2 %	4.8 %
Retail Customer Assets (\$MM)					
Security holdings	\$ 69,993	\$ 76,373	\$ 132,567	(8.4)%	(47.2)%
Brokerage related cash	15,571	15,881	17,642	(2.0)%	(11.7)%
Other customer cash and deposits	17,155	16,720	15,975	2.6 %	7.4 %
Total retail customer assets	\$ 102,719	\$ 108,974	\$ 166,184	(5.7)%	(38.2)%
Net new customer assets (\$B)	\$ 1.2	\$ 1.2	\$ 1.0	N.M.	N.M.

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

Historical Monthly Activity Data from January 2006 to February 2009 can be found on the E*TRADE FINANCIAL investor relations site at <https://investor.etrade.com>.

Loan Delinquency Data⁽¹⁾

	Feb-09	Jan-09	Dec-08	% Chg. Feb 09 - Jan 09	% Chg. Jan 09 - Dec 08	QTD % Chg. Feb 09 - Dec 08

One- to Four-Family (\$MM)

Current	\$ 11,393	\$ 11,637	\$ 11,836	(2)%	(2)%	(4)%
30-89 days delinquent	589	602	594	(2)%	1 %	(1)%
90-179 days delinquent	394	322	273	22 %	18 %	44 %
Total 30-179 days delinquent	983	924	867	6 %	7 %	13 %
180+ days delinquent	390	353	320	10 %	10 %	22 %
Total delinquent loans ⁽²⁾	1,373	1,277	1,187	8 %	8 %	16 %
Gross loans receivable ⁽³⁾	\$ 12,766	\$ 12,914	\$ 13,023	(1)%	(1)%	(2)%

Home Equity (\$MM)

Current	\$ 9,111	\$ 9,269	\$ 9,431	(2)%	(2)%	(3)%
30-89 days delinquent	343	371	408	(8)%	(9)%	(16)%
90-179 days delinquent	339	315	278	8 %	13 %	22 %
Total 30-179 days delinquent	682	686	686	(1)%	0 %	(1)%
180+ days delinquent	71	65	63	9 %	3 %	13 %
Total delinquent loans ⁽²⁾	753	751	749	0 %	0 %	1 %
Gross loans receivable ⁽³⁾	\$ 9,864	\$ 10,020	\$ 10,180	(2)%	(2)%	(3)%

Consumer and Other (\$MM)

Current	\$ 2,207	\$ 2,251	\$ 2,288	(2)%	(2)%	(4)%
30-89 days delinquent	30	30	33	0 %	(9)%	(9)%
90-179 days delinquent	10	10	7	0 %	43 %	43 %
Total 30-179 days delinquent	40	40	40	0 %	0 %	0 %
180+ days delinquent	1	1	1	0 %	0 %	0 %
Total delinquent loans ⁽²⁾	41	41	41	0 %	0 %	0 %
Gross loans receivable ⁽³⁾	\$ 2,248	\$ 2,292	\$ 2,329	(2)%	(2)%	(3)%

Total Loans Receivable (\$MM)

Current	\$ 22,711	\$ 23,157	\$ 23,555	(2)%	(2)%	(4)%
30-89 days delinquent	962	1,003	1,035	(4)%	(3)%	(7)%
90-179 days delinquent	743	647	558	15 %	16 %	33 %
Total 30-179 days delinquent	1,705	1,650	1,593	3 %	4 %	7 %
180+ days delinquent	462	419	384	10 %	9 %	20 %
Total delinquent loans ⁽²⁾	2,167	2,069	1,977	5 %	5 %	10 %
Total gross loans receivable ⁽³⁾	\$ 24,878	\$ 25,226	\$ 25,532	(1)%	(1)%	(3)%

(1) Amounts and percentages may not calculate due to rounding.

(2) Delinquency data is based on the most recent information received from servicers: generally on a one-month lag for one- to four-family loans and current month for home equity loans and consumer and other loans.

(3) Includes unpaid principal balances and premiums (discounts).

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing and banking for retail and institutional customers. 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.

Important Notice

E*TRADE FINANCIAL, E*TRADE and the E*TRADE logo are trademarks or registered trademarks of E*TRADE FINANCIAL Corporation. 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, changes in market activity, anticipated increases 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 information included in the annual reports previously filed by E*TRADE FINANCIAL Corporation with the SEC on Form 10-K (including information under the caption "Risk Factors") and quarterly reports on Form 10-Q. 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.

(C) 2009 E*TRADE FINANCIAL Corporation. All rights reserved.

SOURCE: E*TRADE FINANCIAL Corporation

E*TRADE FINANCIAL Media Relations Contact

Pam Erickson, 617-296-6080

pam.erickson@etrade.com

or

E*TRADE FINANCIAL Investor Relations Contact

Brett Goodman, 646-521-4406

brett.goodman@etrade.com

Copyright Business Wire 2009