



E*TRADE FINANCIAL Announces Closing of Debt Exchange Offer

August 25, 2009

NEW YORK, Aug 25, 2009 (BUSINESS WIRE) -- E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) announced today the closing of its debt exchange offer for certain of its outstanding interest-bearing notes (the "Exchange Offer"). In connection with the Exchange Offer, the Company issued an aggregate of \$1,739,616,000 aggregate principal amount of zero coupon Class A Convertible Debentures (the "Class A Debentures") and \$2,255,000 aggregate principal amount of zero coupon Class B Convertible Debentures (the "Class B Debentures"). The Class A Debentures and Class B Debentures will be convertible into shares of the Company's common stock at initial conversion prices of \$1.0340 and \$1.5510 per share, respectively, but are otherwise identical in all respects. Based upon their respective initial conversion prices, the Class A Debentures will be convertible into 1,682,413,926 shares of the Company's common stock and the Class B Debentures will be convertible into 1,453,900 shares of the Company's common stock.

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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