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**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR JANUARY 2011**

New York, February 16, 2011 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for January 2011.

Daily Average Revenue Trades (“DARTs”) for January were 180,967, a 22 percent increase from December and a five percent increase from the year ago period. The company ended the month with approximately 2.7 million brokerage accounts – including gross new brokerage accounts of 37,005 and net new brokerage accounts of 12,504 during the month. Total accounts ended the month at approximately 4.3 million.

Net new brokerage assets were positive \$1.2 billion in the month – the highest level since October 2008. During January, customer security holdings increased by three percent, or \$3.2 billion, and brokerage-related cash increased by \$0.7 billion to \$25.2 billion, while customers were net buyers of approximately \$0.7 billion in securities. Bank-related cash and deposits declined by \$0.2 billion, ending the month at \$8.8 billion.

(more)

Monthly Activity Data

	Jan-11	Dec-10	Jan-10 ⁽¹⁾	% Chg. M/M	% Chg. Y/Y
Trading days	20.0	22.0	19.0	N.M.	N.M.
DARTs	180,967	147,861	172,445	22.4 %	4.9 %
Gross new brokerage accounts	37,005	38,801	30,850	(4.6)%	20.0 %
Gross new stock plan accounts	29,267	23,059	16,364	26.9 %	78.8 %
Gross new banking accounts	1,942	1,718	2,292	13.0 %	(15.3)%
Total gross new accounts	68,214	63,578	49,506	7.3 %	37.8 %
Net new brokerage accounts	12,504	18,260	(2,392)	N.M.	N.M.
Net new stock plan accounts	16,201	12,390	1,017	N.M.	N.M.
Net new banking accounts	(6,275)	(6,802)	(10,546)	N.M.	N.M.
Net new accounts	22,430	23,848	(11,921)	N.M.	N.M.
End of period brokerage accounts	2,696,815	2,684,311	2,627,687	0.5 %	2.6 %
End of period stock plan accounts	1,064,725	1,048,524	1,026,830	1.5 %	3.7 %
End of period banking accounts	508,722	514,997	712,858	(1.2)%	(28.6)%
End of period total accounts	4,270,262	4,247,832	4,367,375	0.5 %	(2.2)%
Customer Assets (\$B)					
Security holdings	\$ 124.3	\$ 121.1	\$ 97.2	2.6 %	27.9 %
Customer payables (cash)	5.3	5.0	4.5	6.0 %	17.8 %
Customer cash balances held by third parties	3.4	3.4	3.1	0.0 %	9.7 %
Unexercised stock plan customer options (vested)	23.0	21.6	15.4	6.5 %	49.4 %
Customer assets in brokerage and stock plan accounts	156.0	151.1	120.2	3.2 %	29.8 %
Sweep deposits	16.5	16.1	12.4	2.5 %	33.1 %
Savings and transaction deposits	8.4	8.6	11.3	(2.3)%	(25.7)%
CDs	0.4	0.4	1.2	0.0 %	(66.7)%
Customer assets in banking accounts	25.3	25.1	24.9	0.8 %	1.6 %
Total customer assets	\$ 181.3	\$ 176.2	\$ 145.1	2.9 %	24.9 %
Net new brokerage assets (\$B) ⁽²⁾	\$ 1.2	\$ 0.7	\$ 0.6	N.M.	N.M.
Net new banking assets (\$B) ⁽²⁾	(0.2)	-	(0.5)	N.M.	N.M.
Net new customer assets (\$B) ⁽²⁾	\$ 1.0	\$ 0.7	\$ 0.1	N.M.	N.M.
Brokerage related cash (\$B)	\$ 25.2	\$ 24.5	\$ 20.0	2.9 %	26.0 %
Other customer cash and deposits (\$B)	8.8	9.0	12.5	(2.2)%	(29.6)%
Total customer cash and deposits (\$B)	\$ 34.0	\$ 33.5	\$ 32.5	1.5 %	4.6 %

⁽¹⁾ All periods presented have been updated to exclude international local activity.

⁽²⁾ Net new customer assets are total inflows to all new and existing customer accounts less total outflows from all closed and existing customer accounts. The net new banking assets and net new brokerage assets metrics treat asset flows between E*TRADE entities in the same manner as unrelated third party accounts.

Historical metrics and financials through January 2011 can be found on the E*TRADE Financial investor relations website at <https://investor.etrade.com>.

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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