

CAPITAL MARKETS ANNOUNCEMENT

E*TRADE Financial Corporation (NASDAQ: ETFC) announced the completion of its previously announced common stock offering for gross proceeds of \$550 million, comprised of a public offering of 435 million shares and 65 million shares fully exercised by the underwriters under their option to purchase additional shares.

Sandler O'Neill + Partners, L.P. acted as a joint book-running manager in this offering

With this offering, the largest capital raise by an e-finance company in 2009, Sandler O'Neill has participated in 15 common equity offerings raising gross proceeds of approximately \$3.9 billion for our clients since May 1, 2009¹.

June 24, 2009

\$550,000,000

E*TRADE[®]

500 million shares of
Common Stock
\$1.10 per share

Joint Book-
Running Manager

SANDLER O'NEILL + PARTNERS, L.P.

About the Company: The E*TRADE Financial family of companies provides financial services including trading, investing and related banking products and services to retail investors.

Use of Proceeds: The proceeds from the offering will provide additional equity capital, primarily for E*TRADE Bank and secondarily for other corporate purposes.

This announcement is for informational purposes only and does not constitute an offer to buy or the solicitation of an offer to sell securities.

¹ Source: SNL Financial. Includes lead and co-managed common equity offerings since 5/1/09. Based on pricing date.

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