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E*TRADE FINANCIAL ANNOUNCES CFO TRANSITION

***Bruce P. Nolop to Retire at Year End;
Matthew J. Audette Appointed Chief Financial Officer***

New York, December 17, 2010 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that Bruce P. Nolop will retire as Chief Financial Officer of E*TRADE at year end. Matthew J. Audette, E*TRADE's Corporate Controller since 2005, will succeed Mr. Nolop as Chief Financial Officer, effective January 1, 2011. Mr. Nolop will assist the transition in an executive advisory capacity through the first quarter of 2011.

"Bruce's contributions were integral to E*TRADE's progress over the past several years," said Steven Freiberg, Chief Executive Officer of E*TRADE Financial. "In addition to enhancing the company's capital structure, he ensured a focus on business momentum while reducing expenses across the firm. At the same time, he strengthened E*TRADE's finance organization, leaving us well positioned for the future. We thank him for his dedication and I am personally grateful for the counsel he provided to me when I joined the company earlier this year."

As CFO since September 2008, Mr. Nolop oversaw E*TRADE's successful 2009 recapitalization, which raised \$733 million in equity through public offerings and exchanged \$1.7 billion of interest bearing debt.

Mr. Freiberg continued: "We are pleased that the depth of our management team provides for a smooth CFO transition. Matt is a respected leader with comprehensive knowledge of the company and its finances. I am confident that in his new role he will continue to bring significant value to the organization."

As CFO, Mr. Audette will oversee E*TRADE's finance and accounting functions, including financial reporting, planning, tax, corporate-related treasury functions, investor relations, and corporate communications. As a member of the executive management team, he will work across the organization to continue to strengthen financial processes and optimize value for the company.

Mr. Audette joined E*TRADE in 2000, when the company acquired E*TRADE Bank (formerly Telebank). Prior to his current role of Senior Vice President, Corporate Controller, he held positions of increasing responsibility at E*TRADE Bank, including Controller in the Capital Markets group, Controller of E*TRADE Bank, and Chief Financial Officer of E*TRADE Bank. Mr.

Audette began his career in public accounting at KPMG, and holds a Bachelor of Science in accounting from Virginia Tech.

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. ETFC-G

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