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E*TRADE FINANCIAL CORPORATION ANNOUNCES UPDATE ON CUSTOMER WIN-BACK CAMPAIGN, A PRIORITY COMPONENT OF THE COMPANY'S TURNAROUND PLAN

Company to Release Year-end Results and Details of Turnaround Plan on January 24th

New York, December 21, 2007 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced an aggressive customer win-back campaign, one component of its comprehensive turnaround plan. The turnaround plan has been developed in conjunction with a thorough evaluation of the Company's core business strategy, which included an assessment of its organizational structure, operating expense base and balance sheet transition. The customer win-back campaign, which began earlier this month, incorporates targeted engagement incentives and outreach initiatives to current and prospective customers alike.

"Our customers are the backbone of our franchise, and we appreciate the loyalty that we've worked so hard to earn. The response to this week's Customer Appreciation Day has resulted in strong client engagement throughout our retail brokerage product offering," said R. Jarrett Lilien, acting Chief Executive Officer and President, E*TRADE FINANCIAL Corporation. "Since the November 29 announcement of the cash infusion, customer cash trends have shown significant improvement. As of this week, retail customer cash and deposit balances totaled approximately \$33 billion, a number consistent with levels disclosed at the time of the announcement."

The Company also announced today that it will report both fourth quarter and year-end 2007 financial results after the close of the U.S. financial markets on Thursday, January 24, 2008. In addition to financial results, the Company will present its turnaround plan and outlook for 2008 financial results.

“We are eager to provide the marketplace with a broad overview of our comprehensive operational plan, a plan that is designed to enhance our customer focus, increase operational efficiency and reduce overall balance sheet risk in the year ahead,” continued Mr. Lilien.

Fourth Quarter 2007 Earnings Conference Call Details

The Company will host a conference call beginning at 5:00 p.m. (EDT) on January 24, 2008. This conference call will be available to domestic participants by dialing (800) 683-1525 and (973) 872-3197 for international participants. The conference ID number is 29306584. A live audio webcast and replay of this conference call will also be accessible at <https://investor.etrade.com>.

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