

FOR IMMEDIATE RELEASE

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E*TRADE FINANCIAL CORPORATION ANNOUNCES IT WILL RETIRE ALL \$450 MILLION OF ITS 6.125% SUBORDINATED NOTES DUE 2018

New York, November 13, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced that it will retire all \$450 million of its 6.125% subordinated notes due 2018. The notes will be retired in connection with the issuance of 25 million shares of E*TRADE common stock on November 18, 2008, at an effective issue price of \$18 per share. These notes are a part of the mandatory convertible debt securities E*TRADE issued in November 2005.

As stipulated by the terms of the notes, E*TRADE was required to attempt a remarketing to purchasers willing to pay par for the remarketed notes. As expected, the current turmoil in the credit markets prevented a successful remarketing. There will be no net receipt or outlay of cash by E*TRADE in connection with the issuance of the common stock and retirement of the notes.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing and banking for retail and institutional customers. 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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Corporation with the SEC on Form 10-K (including information under the caption "Risk Factors") and quarterly reports on Form 10-Q.
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