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E*TRADE FINANCIAL Media Relations Contact

Pam Erickson

617-296-6080

Pam.Erickson@etrade.com

E*TRADE FINANCIAL Investor Relations Contact

Adam Townsend

703-236-8719

Adam.Townsend@etrade.com

FREDERICK KANNER JOINS E*TRADE FINANCIAL BOARD OF DIRECTORS

New York, April 7, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced that Frederick W. Kanner, a partner at the law firm of Dewey & LeBoeuf LLP in New York City, has joined the Board of Directors of E*TRADE FINANCIAL Corporation effective April 2, 2008. Mr. Kanner, 64, will be a member of the Company's Finance and Risk Oversight Committee and Nominating and Corporate Governance Committee.

"Fred's reputation as an expert in the field of finance and securities law is unparalleled," said Donald H. Layton, Chairman of the Board and Chief Executive Officer for E*TRADE FINANCIAL Corporation. "Fred's experience and recognized leadership in corporate finance, particularly as it relates to capital markets, will be indispensable as we continue to execute on E*TRADE's turnaround plan."

"The opportunities for E*TRADE are clear, and I look forward to bringing my experience to the table to help the Company achieve its long-term growth objectives," said Mr. Kanner.

Mr. Kanner joined Dewey & LeBoeuf in 1968. He has served as Chairman of the firm's Corporate Finance Group for more than 15 years. He has also served as a member of the firm's Management Committee for 20 years. Mr. Kanner is a recognized authority on capital markets financing, securities law and corporate governance.

Mr. Kanner earned his law degree from Georgetown University Law Center, where he was an Editor of the *Georgetown Law Journal*, and holds a bachelors degree in economics from the University of Virginia. He is currently serving as a Director on the board of National Benefit Life Insurance Company and the Lawyers' Committee for Civil Rights Under Law. Mr. Kanner is a member of the American Bar Association, the New

York State Bar Association and the Association of the Bar of the City of New York, where he was a member of the Securities Regulation Committee.

About E*TRADE FINANCIAL

The E*TRADE FINANCIAL family of companies provides financial services including trading, investing, banking and lending for retail and institutional customers. Securities products and services are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Bank and lending products and services are offered by E*TRADE Bank, a Federal savings bank, Member FDIC, or its subsidiaries.

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E*TRADE FINANCIAL, E*TRADE and the E*TRADE logo are trademarks or registered trademarks of E*TRADE FINANCIAL Corporation. The statements contained in this news release that are forward-looking are based on current expectations that are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include, but are not limited to, changes in market activity, anticipated increases in the rate of new customer acquisition, the conversion of new visitors to the site to customers, the activity of customers and assets held at the institution, seasonality, macro trends of the economy in general and the residential real estate market, instability in the consumer credit markets and credit trends, rising mortgage interest rates, tighter mortgage lending guidelines across the industry, increased mortgage loan delinquency and default rates, portfolio growth, portfolio seasoning and resolution through collections, sales or charge-offs, the development and enhancement of products and services, competitive pressures (including price competition), system failures, economic and political conditions, changes in consumer behavior and the introduction of competing products having technological and/or other advantages. Further information about these risks and uncertainties can be found in the information included in the annual reports previously filed by E*TRADE FINANCIAL 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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