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E*TRADE FINANCIAL TO SELL E*TRADE CANADA TO SCOTIABANK FOR \$442 million

*Expects transaction to generate net cash proceeds of approximately \$511 million,
including repatriated excess capital*

New York, July 14, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced it has entered into a definitive agreement to sell E*TRADE Canada to Scotiabank (TSX: BNS, NYSE: BNS) for \$442 million in cash. E*TRADE FINANCIAL expects the combination of the sale of E*TRADE Canada and the return of related capital to generate net cash proceeds of approximately \$511 million.

“We continue to make solid progress against our 2008 Turnaround Plan by monetizing non-core assets to generate capital while delivering consistent organic growth in the retail business,” said Donald H. Layton, Chairman and Chief Executive Officer, E*TRADE FINANCIAL Corporation. “This transaction generates capital for E*TRADE at a very low implied cost. Combined with the other planned non-core asset sales announced this year, we’ve generated more than \$700 million in proceeds in a shareholder-friendly manner. With this transaction signed, we re-affirm that our plans to access the capital markets are focused at this time upon the previously-announced debt-for-equity swaps.”

E*TRADE Securities will continue to provide its customers international equity investing opportunities through its Global Trading platform, while E*TRADE FINANCIAL will continue to operate nine international offices and 16 branded websites across Europe, the Middle East and Asia, and through its strategic alliances. The Company’s ongoing investment in international market opportunities continues to serve as an important competitive differentiator.

“Scotiabank is an industry leader in the North American market with a rich history of serving the needs of individual investors,” continued Mr. Layton. “E*TRADE Canada customers can expect a smooth transition to Scotiabank, as the companies are committed to working together to maintain the quality customer experience our customers have come to expect.”

The deal is subject to approval by all regulatory agencies and is expected to close in the third quarter, 2008.

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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