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JOSEPH SCLAFANI JOINS E*TRADE FINANCIAL BOARD OF DIRECTORS

New York, June 30, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced that Joseph L. Sclafani, retired executive vice president and controller, J.P. Morgan Chase & Co., has joined the Board of Directors of E*TRADE FINANCIAL Corporation effective June 30, 2008. Mr. Sclafani, 59, will be a member of the Company's Finance and Risk Oversight Committee and the Company's Audit Committee, where he will be designated a financial expert.

"Joe is one of the most experienced corporate controllers in the industry, and his knowledge of accounting and financial issues is second-to-none," said Donald H. Layton, Chairman of the Board and Chief Executive Officer for E*TRADE FINANCIAL Corporation. "His knowledge and experience will be of tremendous value to us as we rebuild E*TRADE's financial health and return to growth."

"E*TRADE's legacy as a strong franchise with a powerful brand is indisputable," said Mr. Sclafani. "I look forward to contributing my industry experience and perspective to assist in executing the straightforward and solid plan the management team has in place to achieve long-term growth."

Mr. Sclafani's 38 years of experience include 27 years at J.P. Morgan Chase & Co. and its predecessors, serving most recently as Corporate Controller responsible for corporate financial operations, regulatory reporting, financial accounting and reporting and accounting policies. Mr. Sclafani also spent 11 years at KPMG as a certified public accountant.

Mr. Sclafani earned a BA from St. Francis College in Brooklyn and completed post-graduate studies in finance at Bernard Baruch.

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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