

## FOR IMMEDIATE RELEASE

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## **E\*TRADE FINANCIAL CLOSES SALE OF E\*TRADE CANADA TO SCOTIABANK**

**New York, September 22, 2008** – E\*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today announced it has completed the sale of its Canadian business (E\*TRADE Canada) to Scotiabank. The sale resulted in approximately \$515 million in after-tax net proceeds inclusive of the repatriation of capital prior to close and net of transaction fees. The transaction will result in a pre-tax book gain of approximately \$425 million in the third quarter of 2008. Combined with the other planned non-core asset sales announced this year, E\*TRADE will generate more than \$700 million in proceeds in 2008.

“We continue to make solid progress against our 2008 Turnaround Plan by monetizing non-core assets to generate capital at low cost in a shareholder-friendly manner, while delivering consistent organic growth in the retail business,” said Donald H. Layton, Chairman and Chief Executive Officer, E\*TRADE FINANCIAL Corporation. “The sale of E\*TRADE Canada helps to create a substantial capital cushion that we will be able to deploy as needed as we diligently execute against our plan to return our balance sheet to strength in this challenging market.”

During the transition process, E\*TRADE and Scotiabank are committed to maintaining the quality experience E\*TRADE Canada customers have come to expect. Through the remainder of 2008 it will be business as usual for E\*TRADE Canada customers, as E\*TRADE Canada and Scotiabank work together to ensure a smooth transition.

### **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.

### **Important Notice**

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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