

FOR IMMEDIATE RELEASE

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

**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR FEBRUARY 2008**

- ***Customer cash and deposits increased by nearly \$1 billion, marking the third consecutive month of increase***
- ***Company announces executive management changes***

New York, March 19, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for February. Customer cash and deposits increased by nearly \$1 billion in February, representing the third consecutive monthly increase. Total retail customer assets, which includes customer cash and securities holdings, declined 1.7 percent month over month to \$171 billion. This decline was the net result of an increase in customer cash balances, offset by a decline in the value of customer securities holdings. The decrease in customer securities holdings was less than that of the overall market, aided by a return to positive net new customer asset flows during the month.

E*TRADE generated 43,000 net new accounts in the month – more than double January's growth. The growth in net new accounts was driven by continued strength in new account openings and a reduction in attrition levels. End of period retail accounts totaled 4.8 million, up 0.9 percent month over month and 6.1 percent year over year.

Total Daily Average Revenue Trades decreased 17 percent month over month, consistent with the weaker market trends in February.

"February's metrics reinforce the strength of our customer relationships and demonstrate our ability to continue to attract new customers to our value proposition," said Donald H. Layton, Chairman and Chief Executive Officer, E*TRADE FINANCIAL Corporation. "These numbers are a testament to the Company's ability to remain focused on meeting our customer's needs and expectations in a challenging market environment."

Also announced today, R. Jarrett Lilien, President and Chief Operating Officer, E*TRADE FINANCIAL Corporation, will be leaving the Company effective May 16, 2008, in conjunction with the Company's annual shareholders meeting. During the past nine years, Mr. Lilien's steady leadership has built E*TRADE into a leading online financial services operation and a highly valued brand.

“The past nine years at E*TRADE have been an incredible professional experience,” said R. Jarrett Lilien. “I am confident that E*TRADE has the right plan in place, and the right management team, to execute this plan to return the Company to its proper place of financial strength and strong growth.”

“The Board and I respect the decision Jarrett has made,” said Mr. Layton. “He has been a prime driver in building our premier retail franchise and, most recently, in returning the Company to operational stability and growth, as well as developing our Turnaround Plan. We wish him the best.”

The Company does not plan to fill the role of President and COO. The retail management team that successfully has delivered strong revenue growth and enhanced profitability to produce five years of record retail results will assume increased responsibilities as a function of Mr. Lilien’s departure.

In addition, the Company announced that Robert V. Burton, 51, is being named President of E*TRADE Bank. Mr. Burton recently was named head of the Company’s special committee to reduce the risk of the Company’s real estate portfolio. Prior to joining E*TRADE, he served as Executive Vice President and Head of Retail Credit Businesses and Products at Wachovia Corporation where he was responsible for mortgage banking and home equity lending. Mr. Burton has also served as Executive Vice President and Chief Administrative Officer at PNC Bank and as Senior Vice President and Group Finance Officer at Bank of America.

February Monthly Activity Data

	<u>Feb-08</u>	<u>Jan-08</u>	<u>Feb-07</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	20.0	21.0	19.0	N.M.	N.M.
Daily Average Revenue Trades	175,152	211,978	180,038	(17.4)%	(2.7)%
Gross new retail accounts	102,158	111,374	112,901	N.M.	N.M.
End of period retail accounts	4,775,625	4,732,435	4,503,070	0.9 %	6.1 %
<u>Retail Customer Assets (\$MM)</u>					
Customer securities holdings	\$ 136,428	\$ 140,401	\$ 162,177	(2.8)%	(15.9)%
Customer cash and deposits	34,590	33,612	35,566	2.9 %	(2.7)%
Total retail customer assets	\$ 171,018	\$ 174,013	\$ 197,743	(1.7)%	(13.5)%

Historical monthly metrics data from January 2003 to February 2008 can be found on the E*TRADE FINANCIAL investor relations site at <https://investor.etrade.com>.

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.

#

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.

© 2008 E*TRADE FINANCIAL Corporation. All rights reserved.