

FOR IMMEDIATE RELEASE

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E*TRADE FINANCIAL CORPORATION 1-FOR-10 REVERSE STOCK SPLIT TO TAKE EFFECT JUNE 2, 2010

New York, May 25, 2010 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that a previously approved 1-for-10 reverse split of its common stock will take effect on Wednesday, June 2, 2010 at the open of U.S. markets. E*TRADE shares will continue to trade on the NASDAQ Stock Exchange under the symbol ETFC with the new CUSIP number 269246401.

The reverse stock split, which was approved by E*TRADE stockholders on May 13, 2010, will automatically combine each 10 shares of issued and outstanding common stock into one share of common stock. All outstanding and authorized securities that are exercisable or exchangeable for common stock will be adjusted proportionally based on the reverse split ratio of 1-for-10. The Company will not issue fractional shares in connection with the reverse stock split and stockholders otherwise entitled will receive cash in lieu of fractional shares.

Stockholders with shares held in book-entry form or through a bank, broker, or other nominee are not required to take any action and will see the impact of the reverse stock split reflected in their accounts after June 2, 2010. Beneficial holders may contact their bank, broker, or nominee for more information.

Stockholders with shares held in certificate form are required to exchange their stock certificates for a book-entry statement of holdings or a new certificate representing the shares of common stock resulting from the reverse split. Shortly after June 2, 2010, registered holders who hold stock in certificate form will receive a Letter of Transmittal and instructions for exchanging their certificates from American Stock Transfer, E*TRADE's transfer agent. Registered holders may contact American Stock Transfer for more information commencing June 2, 2010 at (877) 248-6417.

For more information, see the Reverse Stock Split FAQs at investor.etrade.com.

About E*TRADE Financial

The E*TRADE Financial family of companies provides financial services including online brokerage and related banking products and services to retail investors. Specific business segments include Trading and Investing and Balance Sheet Management. 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. ETFC-G

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