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E*TRADE FINANCIAL CORPORATION REPORTS MONTHLY ACTIVITY FOR JANUARY 2008

New York, February 13, 2008 – E*TRADE FINANCIAL Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for January. Total Daily Average Revenue Trades increased 19 percent month over month and nearly 22 percent year over year to 212,000.

The Company increased net new retail accounts by 16,000 in the month – demonstrating the continued strength of the E*TRADE brand and its continued appeal to retail investors. End of period retail accounts totaled 4.7 million, up 0.3 percent month over month and 6.2 percent year over year.

Client cash balances increased in January for the second consecutive month to \$33.6 billion. Total retail client assets, which includes customer cash and securities holdings, declined 8.4 percent month over month and 12.3 percent year over year to \$174 billion. The decline in total client assets was in line with the performance of the overall market which suffered a 6.1 percent and 9.9 percent decline as measured by the S&P 500 and NASDAQ Composite indices, respectively, for January.

In conjunction with a planned investment in marketing for 2008, the Company placed two, thirty-second commercials during Super Bowl XLII® on February 3rd. The strategic decision to advertise during the Super Bowl® created a unique opportunity to reach a broadcast audience of nearly 100 million viewers. The highly-regarded “Talking Baby” commercials generated significant day-after buzz with more than 4 million viewing the ads on YouTube® alone. According to TiVo®, the Company’s “Talking Baby” commercial was the “#1 Most Viewed” during the game. This high profile opportunity to reinforce the E*TRADE brand resulted in a 32 percent increase in newly opened and funded brokerage accounts during the week following the Super Bowl® compared to the week following last year’s game.

“We view January’s performance as evidence that our turnaround plan is gaining traction and we’re building momentum on all fronts,” said R. Jarrett Lilien, acting Chief Executive Officer, E*TRADE FINANCIAL Corporation.

Monthly Activity Data

| | <u>Jan-08</u> | <u>Dec-07</u> | <u>Jan-07</u> | <u>% Chg. M/M</u> | <u>% Chg. Y/Y</u> |
|------------------------------------|---------------|---------------|---------------|-------------------|-------------------|
| Trading days | 21.0 | 19.5 | 20.0 | N.M. | N.M. |
| Daily Average Revenue Trades | 211,978 | 178,461 | 174,529 | 18.8 % | 21.5 % |
| Gross new retail accounts | 111,374 | 87,937 | 123,361 | N.M. | N.M. |
| End of period retail accounts | 4,732,435 | 4,716,430 | 4,456,016 | 0.3 % | 6.2 % |
| <u>Retail Client Assets (\$MM)</u> | | | | | |
| Client securities holdings | \$ 140,401 | \$ 156,385 | \$ 164,241 | (10.2)% | (14.5)% |
| Client cash and deposits | <u>33,612</u> | <u>33,593</u> | <u>34,076</u> | 0.1 % | (1.4)% |
| Total retail client assets | \$ 174,013 | \$ 189,978 | \$ 198,317 | (8.4)% | (12.3)% |

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

“Super Bowl” is a registered trademark of the NFL and is used here for factual purposes only. E*TRADE FINANCIAL Corp. and its affiliates are not affiliated with the Super Bowl or the NFL.

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.

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