

FOR IMMEDIATE RELEASE

E*TRADE Financial Media Relations Contact

Lea Stendahl
646-521-4418
lea.stendahl@etrade.com

E*TRADE Financial Investor Relations Contact

Brett Goodman
646-521-4406
brett.goodman@etrade.com

**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR FEBRUARY 2012;
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES**

NEW YORK, March 14, 2012 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for February 2012.

Daily Average Revenue Trades (“DARTs”) for February were 168,973, a 16 percent increase from January and a nine percent decrease from the year-ago period. The company added 39,023 gross new brokerage accounts in February, ending the month with approximately 2.8 million brokerage accounts – an increase of 18,120 from January. Total accounts ended the month at approximately 4.4 million.

Net new brokerage assets were positive \$1.9 billion in the month. During the month, customer security holdings increased by six percent, or \$7.2 billion, and brokerage-related cash increased by \$1.6 billion to \$30.6 billion, while customers were net sellers of approximately \$30 million in securities. Bank-related cash and deposits increased by \$0.1 billion, ending the month at \$7.9 billion.

The company also updated delinquency statistics in its loan portfolio. For the company’s entire loan portfolio; total special mention delinquencies (30 to 89 days delinquent) decreased 12% from December 31, 2011 to February 29, 2012 and decreased nine percent from January 31, 2012 to February 29, 2012, while total “at risk” delinquencies (30 to 179 days delinquent) decreased eight percent from December 31, 2011 to February 29, 2012 and decreased six percent from January 31, 2012 to February 29, 2012. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	Feb-12	Jan-12	Feb-11	% Chg. M/M	% Chg. Y/Y
Trading days	20.0	20.0	19.0	N.M.	N.M.
DARTs	168,973	145,390	185,717	16.2 %	(9.0)%
Gross new brokerage accounts	39,023	30,298	37,109	28.8 %	5.2 %
Gross new stock plan accounts	19,406	29,569	12,121	(34.4)%	60.1 %
Gross new banking accounts	1,695	1,525	1,846	11.1 %	(8.2)%
Total gross new accounts	60,124	61,392	51,076	(2.1)%	17.7 %
Net new brokerage accounts	18,120	10,041	18,343	N.M.	N.M.
Net new stock plan accounts	7,608	18,234	176	N.M.	N.M.
Net new banking accounts	(3,184)	(2,478)	(4,927)	N.M.	N.M.
Net new accounts	22,544	25,797	13,592	N.M.	N.M.
End of period brokerage accounts	2,811,173	2,793,053	2,715,158	0.6 %	3.5 %
End of period stock plan accounts	1,096,256	1,088,648	1,064,901	0.7 %	2.9 %
End of period banking accounts	457,906	461,090	503,795	(0.7)%	(9.1)%
End of period total accounts	4,365,335	4,342,791	4,283,854	0.5 %	1.9 %
Customer Assets (\$B)					
Security holdings	\$ 133.7	\$ 126.5	\$ 129.7	5.7 %	3.1 %
Customer payables (cash)	5.7	6.1	5.3	(6.6)%	7.5 %
Customer cash balances held by third parties	3.7	3.6	3.5	2.8 %	5.7 %
Unexercised stock plan customer options (vested)	23.3	22.1	24.8	5.4 %	(6.0)%
Customer assets in brokerage and stock plan accounts	166.4	158.3	163.3	5.1 %	1.9 %
Sweep deposits	21.2	19.3	17.1	9.8 %	24.0 %
Savings, transaction and other	7.9	7.8	8.9	1.3 %	(11.2)%
Customer assets in banking accounts	29.1	27.1	26.0	7.4 %	11.9 %
Total customer assets	\$ 195.5	\$ 185.4	\$ 189.3	5.4 %	3.3 %
Net new brokerage assets (\$B) ⁽¹⁾	\$ 1.9	\$ 0.7	\$ 1.4	N.M.	N.M.
Net new banking assets (\$B) ⁽¹⁾	0.1	(0.1)	0.1	N.M.	N.M.
Net new customer assets (\$B) ⁽¹⁾	\$ 2.0	\$ 0.6	\$ 1.5	N.M.	N.M.
Brokerage related cash (\$B)	\$ 30.6	\$ 29.0	\$ 25.9	5.5 %	18.1 %
Other customer cash and deposits (\$B)	7.9	7.8	8.9	1.3 %	(11.2)%
Total customer cash and deposits (\$B)	\$ 38.5	\$ 36.8	\$ 34.8	4.6 %	10.6 %
Customer net (purchase) / sell activity (\$B)	\$ 0.0	\$ 0.9	\$ (0.8)	N.M.	N.M.

(1) Net new customer assets are total inflows to all new and existing customer accounts less total outflows from all closed and existing customer accounts. The net new banking assets and net new brokerage assets metrics treat asset flows between E*TRADE entities in the same manner as unrelated third party accounts.

(more)

Loan Delinquency Data

	Feb-12	Jan-12	Dec-11	% Chg. Feb 12 - Jan 12	% Chg. Jan 12 - Dec 11	% Chg. Feb 12 - Dec 11
<i>One- to Four-Family (\$MM)</i>						
Current	\$ 5,606	\$ 5,656	\$ 5,756	(1)%	(2)%	(3)%
30-89 days delinquent	260	293	295	(11)%	(1)%	(12)%
90-179 days delinquent	129	134	136	(4)%	(1)%	(5)%
Total 30-179 days delinquent	389	427	431	(9)%	(1)%	(10)%
180+ days delinquent	427	447	458	(4)%	(2)%	(7)%
Total delinquent loans ⁽¹⁾	816	874	889	(7)%	(2)%	(8)%
Gross loans receivable ⁽²⁾	\$ 6,422	\$ 6,530	\$ 6,645	(2)%	(2)%	(3)%
<i>Home Equity (\$MM)</i>						
Current	\$ 4,908	\$ 4,988	\$ 5,073	(2)%	(2)%	(3)%
30-89 days delinquent	132	143	154	(8)%	(7)%	(14)%
90-179 days delinquent	107	100	100	7 %	0 %	7 %
Total 30-179 days delinquent	239	243	254	(2)%	(4)%	(6)%
180+ days delinquent	51	55	58	(7)%	(5)%	(12)%
Total delinquent loans ⁽¹⁾	290	298	312	(3)%	(4)%	(7)%
Gross loans receivable ⁽²⁾	\$ 5,198	\$ 5,286	\$ 5,385	(2)%	(2)%	(3)%
<i>Consumer and Other (\$MM)</i>						
Current	\$ 1,043	\$ 1,082	\$ 1,104	(4)%	(2)%	(6)%
30-89 days delinquent	20	19	18	5 %	6 %	11 %
90-179 days delinquent	4	4	4	0 %	0 %	0 %
Total 30-179 days delinquent	24	23	22	4 %	5 %	9 %
180+ days delinquent	-	-	-	N.M.	N.M.	N.M.
Total delinquent loans	24	23	22	4 %	5 %	9 %
Gross loans receivable ⁽²⁾	\$ 1,067	\$ 1,105	\$ 1,126	(3)%	(2)%	(5)%
<i>Total Loans Receivable (\$MM)</i>						
Current	\$ 11,557	\$ 11,726	\$ 11,933	(1)%	(2)%	(3)%
30-89 days delinquent	412	455	467	(9)%	(3)%	(12)%
90-179 days delinquent	240	238	240	1 %	(1)%	0 %
Total 30-179 days delinquent	652	693	707	(6)%	(2)%	(8)%
180+ days delinquent	478	502	516	(5)%	(3)%	(7)%
Total delinquent loans ⁽¹⁾	1,130	1,195	1,223	(5)%	(2)%	(8)%
Total gross loans receivable ⁽²⁾	\$ 12,687	\$ 12,921	\$ 13,156	(2)%	(2)%	(4)%

(1) Delinquent loans include charge-offs for loans that are in bankruptcy or are 180 days past due which have been written down to their expected recovery value.

(2) Includes unpaid principal balances and premiums (discounts).

Historical metrics and financials can be found on E*TRADE Financial's investor relations website at <https://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. More information is available at www.etrade.com.

#

Important Notices

E*TRADE Financial, E*TRADE and the E*TRADE logo are trademarks or registered trademarks of E*TRADE Financial Corporation. ETFC-G
© 2012 E*TRADE Financial Corporation. All rights reserved.