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**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR JULY 2012**

NEW YORK, August 15, 2012 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for July 2012.

Daily Average Revenue Trades (“DARTs”) for July were 128,594, a four percent increase from June and an 11 percent decrease from the year-ago period. The Company added 22,432 gross new brokerage accounts in July, ending the month with approximately 2.9 million brokerage accounts – a decrease of 4,363 from June. Total accounts ended the month at approximately 4.4 million.

Net new brokerage assets were positive \$0.3 billion in the month. During the month, customer security holdings increased by 0.3 percent, or \$0.4 billion, and brokerage-related cash increased by \$0.4 billion to \$29.6 billion, as customers were net sellers of approximately \$0.2 billion in securities. Bank-related cash and deposits decreased by \$0.1 billion, ending the month at \$7.3 billion.

(more)

Monthly Activity Data

	Jul-12	Jun-12	Jul-11	% Chg. M/M	% Chg. Y/Y
Trading days	20.5	21.0	20.0	N.M.	N.M.
DARTs	128,594	123,911	144,023	3.8 %	(10.7)%
Gross new brokerage accounts	22,432	25,559	24,110	(12.2)%	(7.0)%
Gross new stock plan accounts	18,060	23,671	21,380	(23.7)%	(15.5)%
Gross new banking accounts	1,222	1,287	1,666	(5.1)%	(26.7)%
Total gross new accounts	41,714	50,517	47,156	(17.4)%	(11.5)%
Net new brokerage accounts	(4,363)	8,154	916	N.M.	N.M.
Net new stock plan accounts	5,308	13,602	7,772	N.M.	N.M.
Net new banking accounts	(3,345)	(3,083)	(2,936)	N.M.	N.M.
Net new accounts	(2,400)	18,673	5,752	N.M.	N.M.
End of period brokerage accounts	2,870,242	2,874,605	2,760,689	(0.2)%	4.0 %
End of period stock plan accounts	1,109,610	1,104,302	1,061,818	0.5 %	4.5 %
End of period banking accounts	442,803	446,148	481,631	(0.7)%	(8.1)%
End of period total accounts	4,422,655	4,425,055	4,304,138	(0.1)%	2.8 %
Customer Assets (\$B)					
Security holdings	\$ 135.3	\$ 134.9	\$ 124.8	0.3 %	8.4 %
Customer payables (cash)	5.3	5.1	5.8	3.9 %	(8.6)%
Customer cash balances held by third parties	3.7	3.6	3.5	2.8 %	5.7 %
Unexercised stock plan customer options (vested)	21.4	21.0	21.9	1.9 %	(2.3)%
Customer assets in brokerage and stock plan accounts	165.7	164.6	156.0	0.7 %	6.2 %
Sweep deposits	20.6	20.5	18.4	0.5 %	12.0 %
Savings, transaction and other	7.3	7.4	8.3	(1.4)%	(12.0)%
Customer assets in banking accounts	27.9	27.9	26.7	0.0 %	4.5 %
Total customer assets	\$ 193.6	\$ 192.5	\$ 182.7	0.6 %	6.0 %
Net new brokerage assets (\$B) ⁽¹⁾	\$ 0.3	\$ 0.5	\$ 0.4	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⁾	\$ 0.2	\$ 0.4	\$ 0.3	N.M.	N.M.
Brokerage related cash (\$B)	\$ 29.6	\$ 29.2	\$ 27.7	1.4 %	6.9 %
Other customer cash and deposits (\$B)	7.3	7.4	8.3	(1.4)%	(12.0)%
Total customer cash and deposits (\$B)	\$ 36.9	\$ 36.6	\$ 36.0	0.8 %	2.5 %
Customer net (purchase) / sell activity (\$B)	\$ 0.2	\$ (0.4)	\$ 1.1	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.

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

About E*TRADE Financial

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