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

NEW YORK, December 19, 2012 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for November 2012.

Daily Average Revenue Trades (“DARTs”) for November were 130,202, a five percent increase from October and an eight percent decrease from the year-ago period. The Company added 26,312 gross new brokerage accounts in November, ending the month with approximately 2.9 million brokerage accounts – an increase of 7,361 from October. Total accounts ended the month at approximately 4.5 million.

Net new brokerage assets were positive \$0.8 billion in the month. During the month, customer security holdings increased by one percent, or \$1.3 billion, and brokerage-related cash increased by \$0.2 billion to \$31.9 billion, while customers were net buyers of approximately \$0.3 billion in securities. Bank-related cash and deposits ended the month unchanged, at \$7.1 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) increased three percent from September 30, 2012 to November 30, 2012 and decreased two percent from October 31, 2012 to November 30, 2012, while total “at risk” delinquencies (30 to 179 days delinquent) increased two percent from September 30, 2012 to November 30, 2012 and decreased two percent from October 31, 2012 to November 30, 2012. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	Nov-12	Oct-12	Nov-11	% Chg. M/M	% Chg. Y/Y
Trading days	20.5	21.0	20.5	N.M.	N.M.
DARTs	130,202	124,246	141,361	4.8 %	(7.9)%
Gross new brokerage accounts	26,312	23,365	24,541	12.6 %	7.2 %
Gross new stock plan accounts	27,360	14,164	11,383	93.2 %	140.4 %
Gross new banking accounts	782	857	1,391	(8.8)%	(43.8)%
Total gross new accounts	54,454	38,386	37,315	41.9 %	45.9 %
Net new brokerage accounts	7,361	(5,153)	207	N.M.	N.M.
Net new stock plan accounts	16,423	2,251	(781)	N.M.	N.M.
Net new banking accounts	(2,315)	(3,608)	(3,541)	N.M.	N.M.
Net new accounts	21,469	(6,510)	(4,115)	N.M.	N.M.
End of period brokerage accounts	2,895,060	2,887,699	2,772,187	0.3 %	4.4 %
End of period stock plan accounts	1,137,514	1,121,091	1,062,904	1.5 %	7.0 %
End of period banking accounts	431,961	434,276	466,024	(0.5)%	(7.3)%
End of period total accounts	4,464,535	4,443,066	4,301,115	0.5 %	3.8 %
Customer Assets (\$B)					
Security holdings	\$ 139.9	\$ 138.6	\$ 120.1	0.9 %	16.5 %
Customer payables (cash)	5.6	5.5	5.1	1.8 %	9.8 %
Customer cash balances held by third parties ⁽¹⁾	6.0	5.9	3.3	1.7 %	81.8 %
Unexercised stock plan customer options (vested)	22.1	21.3	19.1	3.8 %	15.7 %
Customer assets in brokerage and stock plan accounts	173.6	171.3	147.6	1.3 %	17.6 %
Sweep deposits	20.3	20.3	17.9	0.0 %	13.4 %
Savings, transaction and other	7.1	7.1	7.8	0.0 %	(9.0)%
Customer assets in banking accounts	27.4	27.4	25.7	0.0 %	6.6 %
Total customer assets	\$ 201.0	\$ 198.7	\$ 173.3	1.2 %	16.0 %
Net new brokerage assets (\$B) ⁽²⁾	\$ 0.8	\$ 0.3	\$ 0.6	N.M.	N.M.
Net new banking assets (\$B) ⁽²⁾	(0.0)	(0.1)	(0.1)	N.M.	N.M.
Net new customer assets (\$B) ⁽²⁾	\$ 0.8	\$ 0.2	\$ 0.5	N.M.	N.M.
Brokerage related cash (\$B)	\$ 31.9	\$ 31.7	\$ 26.3	0.6 %	21.3 %
Other customer cash and deposits (\$B)	7.1	7.1	7.8	0.0 %	(9.0)%
Total customer cash and deposits (\$B)	\$ 39.0	\$ 38.8	\$ 34.1	0.5 %	14.4 %
Customer net (purchase) / sell activity (\$B)	\$ (0.3)	\$ (1.3)	\$ (1.6)	N.M.	N.M.

(1) Customer cash balances held by third parties are held outside E*TRADE Financial and include money market funds and sweep deposit accounts at unaffiliated financial institutions.

(2) 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

	Nov-12	Oct-12	Sep-12	% Chg. Nov 12 - Oct 12	% Chg. Oct 12 - Sep 12	% Chg. Nov 12 - Sep 12
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 4,943	\$ 5,005	\$ 5,122	(1)%	(2)%	(3)%
30-89 days delinquent	222	231	210	(4)%	10 %	6 %
90-179 days delinquent	110	115	108	(4)%	6 %	2 %
Total 30-179 days delinquent	332	346	318	(4)%	9 %	4 %
180+ days delinquent	287	294	300	(2)%	(2)%	(4)%
Total delinquent loans ⁽¹⁾	619	640	618	(3)%	4 %	0 %
Gross loans receivable ⁽²⁾	\$ 5,562	\$ 5,645	\$ 5,740	(1)%	(2)%	(3)%
<u>Home Equity (\$MM)</u>						
Current	\$ 4,135	\$ 4,206	\$ 4,277	(2)%	(2)%	(3)%
30-89 days delinquent	94	93	99	1 %	(6)%	(5)%
90-179 days delinquent	62	65	65	(5)%	0 %	(5)%
Total 30-179 days delinquent	156	158	164	(1)%	(4)%	(5)%
180+ days delinquent	43	44	42	(2)%	5 %	2 %
Total delinquent loans ⁽¹⁾	199	202	206	(1)%	(2)%	(3)%
Gross loans receivable ⁽²⁾	\$ 4,334	\$ 4,408	\$ 4,483	(2)%	(2)%	(3)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 847	\$ 869	\$ 892	(3)%	(3)%	(5)%
30-89 days delinquent	22	20	18	10 %	11 %	22 %
90-179 days delinquent	4	3	3	33 %	0 %	33 %
Total 30-179 days delinquent	26	23	21	13 %	10 %	24 %
180+ days delinquent	-	-	-	N.M.	N.M.	N.M.
Total delinquent loans	26	23	21	13 %	10 %	24 %
Gross loans receivable ⁽²⁾	\$ 873	\$ 892	\$ 913	(2)%	(2)%	(4)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 9,925	\$ 10,080	\$ 10,291	(2)%	(2)%	(4)%
30-89 days delinquent	338	344	327	(2)%	5 %	3 %
90-179 days delinquent	176	183	176	(4)%	4 %	0 %
Total 30-179 days delinquent	514	527	503	(2)%	5 %	2 %
180+ days delinquent	330	338	342	(2)%	(1)%	(4)%
Total delinquent loans ⁽¹⁾	844	865	845	(2)%	2 %	(0)%
Total gross loans receivable ⁽²⁾	\$ 10,769	\$ 10,945	\$ 11,136	(2)%	(2)%	(3)%

(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>.

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