

FOR IMMEDIATE RELEASE

E*TRADE Financial Media Relations Contact

Elyse Blazey
646-521-4418
elyse.blazey@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 MAY 2012;
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES**

NEW YORK, June 13, 2012 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for May 2012.

Daily Average Revenue Trades (“DARTs”) for May were 146,254, flat with April and a five percent decrease from the year-ago period. The Company added 43,040 gross new brokerage accounts in May, ending the month with approximately 2.9 million brokerage accounts – an increase of 28,140 from April. Total accounts ended the month at approximately 4.4 million.

Net new brokerage assets were positive \$1.3 billion in the month. During the month, customer security holdings decreased by six percent, or \$7.8 billion, and brokerage-related cash decreased by \$0.6 billion to \$29.3 billion, as customers were net buyers of approximately \$1.9 billion in securities. Bank-related cash and deposits decreased by \$0.2 billion, ending the month at \$7.5 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 five percent from March 31, 2012 to May 31, 2012 and increased four percent from April 30, 2012 to May 31, 2012, while total “at risk” delinquencies (30 to 179 days delinquent) decreased three percent from March 31, 2012 to May 31, 2012 and increased four percent from April 30, 2012 to May 31, 2012. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	May-12	Apr-12	May-11	% Chg. M/M	% Chg. Y/Y
Trading days	22.0	20.0	21.0	N.M.	N.M.
DARTs	146,254	145,769	153,943	0.3 %	(5.0)%
Gross new brokerage accounts	43,040	36,060	28,895	19.4 %	49.0 %
Gross new stock plan accounts	14,050	14,452	12,894	(2.8)%	9.0 %
Gross new banking accounts	1,449	1,592	1,856	(9.0)%	(21.9)%
Total gross new accounts	58,539	52,104	43,645	12.4 %	34.1 %
Net new brokerage accounts	28,140	9,305	4,520	N.M.	N.M.
Net new stock plan accounts	4,633	4,664	(2,210)	N.M.	N.M.
Net new banking accounts	(3,623)	(3,219)	(4,682)	N.M.	N.M.
Net new accounts	29,150	10,750	(2,372)	N.M.	N.M.
End of period brokerage accounts	2,866,451	2,838,311	2,757,192	1.0 %	4.0 %
End of period stock plan accounts	1,090,700	1,086,067	1,054,598	0.4 %	3.4 %
End of period banking accounts	449,231	452,854	489,217	(0.8)%	(8.2)%
End of period total accounts	4,406,382	4,377,232	4,301,007	0.7 %	2.5 %
Customer Assets (\$B)					
Security holdings	\$ 130.3	\$ 138.1	\$ 131.1	(5.6)%	(0.6)%
Customer payables (cash)	5.1	5.3	5.4	(3.8)%	(5.6)%
Customer cash balances held by third parties	3.6	3.7	3.5	(2.7)%	2.9 %
Unexercised stock plan customer options (vested)	20.7	24.0	24.8	(13.8)%	(16.5)%
Customer assets in brokerage and stock plan accounts	159.7	171.1	164.8	(6.7)%	(3.1)%
Sweep deposits	20.6	20.9	17.6	(1.4)%	17.0 %
Savings, transaction and other	7.5	7.7	8.5	(2.6)%	(11.8)%
Customer assets in banking accounts	28.1	28.6	26.1	(1.7)%	7.7 %
Total customer assets	\$ 187.8	\$ 199.7	\$ 190.9	(6.0)%	(1.6)%
Net new brokerage assets (\$B) ⁽¹⁾	\$ 1.3	\$ 0.4	\$ 0.6	N.M.	N.M.
Net new banking assets (\$B) ⁽¹⁾	(0.2)	(0.2)	(0.1)	N.M.	N.M.
Net new customer assets (\$B) ⁽¹⁾	\$ 1.1	\$ 0.2	\$ 0.5	N.M.	N.M.
Brokerage related cash (\$B)	\$ 29.3	\$ 29.9	\$ 26.5	(2.0)%	10.6 %
Other customer cash and deposits (\$B)	7.5	7.7	8.5	(2.6)%	(11.8)%
Total customer cash and deposits (\$B)	\$ 36.8	\$ 37.6	\$ 35.0	(2.1)%	5.1 %
Customer net (purchase) / sell activity (\$B)	\$ (1.9)	\$ (1.6)	\$ (0.4)	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.

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Loan Delinquency Data

	May-12	Apr-12	Mar-12	% Chg. May 12 - Apr 12	% Chg. Apr 12 - Mar 12	% Chg. May 12 - Mar 12
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 5,399	\$ 5,490	\$ 5,543	(2)%	(1)%	(3)%
30-89 days delinquent	236	225	252	5 %	(11)%	(6)%
90-179 days delinquent	116	111	114	5 %	(3)%	2 %
Total 30-179 days delinquent	352	336	366	5 %	(8)%	(4)%
180+ days delinquent	366	388	413	(6)%	(6)%	(11)%
Total delinquent loans ⁽¹⁾	718	724	779	(1)%	(7)%	(8)%
Gross loans receivable ⁽²⁾	\$ 6,117	\$ 6,214	\$ 6,322	(2)%	(2)%	(3)%
<u>Home Equity (\$MM)</u>						
Current	\$ 4,617	\$ 4,702	\$ 4,776	(2)%	(2)%	(3)%
30-89 days delinquent	104	102	106	2 %	(4)%	(2)%
90-179 days delinquent	75	74	80	1 %	(8)%	(6)%
Total 30-179 days delinquent	179	176	186	2 %	(5)%	(4)%
180+ days delinquent	47	49	49	(4)%	0 %	(4)%
Total delinquent loans ⁽¹⁾	226	225	235	0 %	(4)%	(4)%
Gross loans receivable ⁽²⁾	\$ 4,843	\$ 4,927	\$ 5,011	(2)%	(2)%	(3)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 976	\$ 999	\$ 1,021	(2)%	(2)%	(4)%
30-89 days delinquent	18	18	17	0 %	6 %	6 %
90-179 days delinquent	5	4	5	25 %	(20)%	0 %
Total 30-179 days delinquent	23	22	22	5 %	0 %	5 %
180+ days delinquent	-	-	-	N.M.	N.M.	N.M.
Total delinquent loans	23	22	22	5 %	0 %	5 %
Gross loans receivable ⁽²⁾	\$ 999	\$ 1,021	\$ 1,043	(2)%	(2)%	(4)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 10,992	\$ 11,191	\$ 11,340	(2)%	(1)%	(3)%
30-89 days delinquent	358	345	375	4 %	(8)%	(5)%
90-179 days delinquent	196	189	199	4 %	(5)%	(2)%
Total 30-179 days delinquent	554	534	574	4 %	(7)%	(3)%
180+ days delinquent	413	437	462	(5)%	(5)%	(11)%
Total delinquent loans ⁽¹⁾	967	971	1,036	(0)%	(6)%	(7)%
Total gross loans receivable ⁽²⁾	\$ 11,959	\$ 12,162	\$ 12,376	(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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