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E*TRADE FINANCIAL APPOINTS PAUL T. IDZIK CHIEF EXECUTIVE OFFICER

Interim CEO Frank J. Petrilli to Continue as Chairman

NEW YORK, January 17, 2013 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced that its Board of Directors has appointed Paul T. Idzik Chief Executive Officer, effective January 22, 2013.

Interim CEO Frank J. Petrilli, who has served since August, 2012, will continue as Chairman. Rodger A. Lawson will step down as Lead Independent Director, a role he has served since August 2012, but will remain on the Board. Mr. Idzik was also named President of E*TRADE Bank, and will serve on the Company's and E*TRADE Bank's Boards of Directors.

"Paul brings great strengths to our business at this very important time for our company," Mr. Petrilli said in making the announcement. "Paul is recognized in the financial services industry for his strong leadership skills and his demonstrated ability to deliver results and create shareholder value. As a seasoned senior executive, he has a proven track record of building strong teams, and working with multiple stakeholders. Paul is the right person to lead E*TRADE as we continue to execute on our strategic and capital plan."

"I look forward to joining E*TRADE and working with its management team," Mr. Idzik said. "E*TRADE has great strengths, from its iconic brand to its industry-leading technology and its world-class product and service offerings. These will serve the company well as we work to grow the franchise and deliver value to shareholders."

About Paul T. Idzik

Paul T. Idzik, 51, was most recently Group Chief Executive of DTZ Holdings PLC in London. He also served 10 years at Barclays PLC, most recently as Group Chief Operating Officer and before that as Chief Operating Officer of Barclays Capital. He oversaw all key functional units, including Information Technology and Operations, HR, Corporate Communications, Sourcing and Procurement, and all strategy for Barclays.

Mr. Idzik started his career as a consultant, and spent more than a decade with Booz Allen Hamilton, where he was a partner in the Financial Services practice. He advised retail, commercial, and investment banks on strategy and performance enhancement.

He also sits on the Board of Trustees of the Oxford Philomusica, Oxford's professional symphony orchestra.

Mr. Idzik has BAs in Economics and Computer Applications from the University of Notre Dame and an MBA in Finance from the University of Chicago.

About E*TRADE Financial

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Forward-Looking Statements: The statements contained in this news release that are forward looking are based on current expectations that are subject to a number of uncertainties and risks, and actual results may differ materially. The uncertainties and risks include, but are not limited to, the ability to execute on our strategic and capital plan and to grow the franchise and deliver value to shareholders. Further information about these risks and uncertainties can be found in the annual, quarterly, and current reports on Form 10-K, Form 10-Q, and Form 8-K previously filed by E*TRADE Financial Corporation with the Securities and Exchange Commission (including information in these reports under the caption "Risk Factors"). Any forward-looking statement included in this release speaks only as of the date of this communication; the Company disclaims any obligation to update any information.

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