



E*TRADE Financial Corporation Announces Pricing of Senior Notes

November 12, 2014

NEW YORK--(BUSINESS WIRE)-- E*TRADE Financial Corporation (NASDAQ:ETFC) today announced the pricing of its public offering of \$540 million in aggregate principal amount of its 5.375% Senior Notes due 2022, issued at par. E*TRADE expects to close the sale of the notes on November 17, 2014 subject to the satisfaction of customary closing conditions.

The notes will bear interest at an annual rate of 5.375% per year payable semi-annually and are callable beginning November 15, 2017. The notes will be E*TRADE's general unsecured senior obligations and rank equally with E*TRADE's other unsecured senior indebtedness. The notes will effectively rank junior to the Company's secured indebtedness (including any debt drawn under the new senior secured revolving credit facility) to the extent of the collateral securing such indebtedness and all liabilities of the Company's subsidiaries. The notes will not be guaranteed by E*TRADE's subsidiaries.

E*TRADE will use the proceeds, along with approximately \$460 million of existing corporate cash, to redeem all of its outstanding 6.750% Senior Notes due 2016 ("2016 Notes") and 6.000% Senior Notes due 2017 ("2017 Notes"), and to pay related redemption premiums. This press release does not constitute a notice of redemption with respect to the 2016 Notes or 2017 Notes. The transaction will reduce the Company's corporate debt outstanding by \$400 million.

J.P. Morgan, Morgan Stanley, Credit Suisse, and Goldman, Sachs & Co. are serving as joint book-running managers for the offering.

E*TRADE has filed an effective registration statement (including a prospectus supplement and accompanying base prospectus) with the Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the effective registration statement (including the prospectus supplement and accompanying base prospectus) for more complete information about E*TRADE and this offering. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, copies may be obtained from J.P. Morgan Securities LLC, c/o Broadridge Financial Solutions, 1155 Long Island Avenue, Edgewood, New York 11717 or by calling 866-803-9204.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the notes or any other securities, nor will there be any sale of the notes or any other securities in any state or jurisdiction in which such an offer, solicitation or sale is not permitted.

About E*TRADE Financial

E*TRADE Financial and its subsidiaries provide 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 and affiliates. ETFC-G

Important Notices

E*TRADE Financial, E*TRADE and the E*TRADE logo are trademarks or registered trademarks of E*TRADE Financial Corporation.

Forward-Looking Statements

The statements contained in this press release that are forward looking, including statements relating to E*TRADE's expectations regarding the completion, timing and size of the proposed public offering and the related planned redemption are "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, and are subject to a number of uncertainties and risks. Actual results may differ materially from those indicated in the forward-looking statements. The uncertainties and risks include, but are not limited to, uncertainties and risks related to market conditions, E*TRADE's ability to borrow under the senior secured revolving credit facility and the satisfaction of customary closing conditions related to the public offering. There can be no assurance that the public offering will be completed on the anticipated terms, or at all. 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") and the risk factors and other statements included in the prospectus supplement relating to this offering and the accompanying prospectus (including the documents incorporated by reference therein). 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.

© 2014 E*TRADE Financial Corporation. All rights reserved.

E*TRADE Media Relations

Thayer Fox, 646-521-4418

thayer.fox@etrade.com

or

E*TRADE Investor Relations

Brett Goodman, 646-521-4406

brett.goodman@etrade.com

Source: E*TRADE Financial Corporation

News Provided by Acquire Media