

E TRADE FINANCIAL Corp
Form FWP
March 02, 2015

ISSUER FREE WRITING PROSPECTUS
(RELATING TO PRELIMINARY PROSPECTUS
SUPPLEMENT DATED MARCH 2, 2015 AND
PROSPECTUS DATED MAY 14, 2012)
FILED PURSUANT TO RULE 433
REGISTRATION NUMBER 333-181390

E*TRADE Financial Corporation

4.625% Senior Notes due 2023

Final Term Sheet

March 2, 2015

The information in this pricing term sheet supplements E*TRADE Financial Corporation's preliminary prospectus supplement, dated March 2, 2015 (the Preliminary Prospectus Supplement), and supersedes the information in the Preliminary Prospectus Supplement to the extent inconsistent with the information in the Preliminary Prospectus Supplement. In all other respects, this pricing term sheet is qualified in its entirety by reference to the Preliminary Prospectus Supplement (and the accompanying prospectus), including all other documents incorporated by reference therein. Terms used herein but not defined herein shall have the respective meanings as set forth in the Preliminary Prospectus Supplement.

4.625% Senior Notes due 2023

| | |
|----------------------------------|---|
| Issuer: | E*TRADE Financial Corporation (the Company) |
| Title of Securities: | 4.625% Senior Notes due 2023 (the Notes) |
| Type: | SEC Registered |
| Size: | \$460,000,000 |
| Estimated Net Proceeds to Issuer | \$454,000,000 |
| (after expenses): | |
| Maturity: | September 15, 2023 |
| Price: | 100.00% |

Edgar Filing: E TRADE FINANCIAL Corp - Form FWP

Coupon (Interest Rate): 4.625% per annum
Yield to Maturity: 4.625%

| | |
|---------------------------------|--|
| Spread over Benchmark Treasury: | +265 basis points |
| Benchmark Treasury: | 2.5% due August 15, 2023 |
| Interest Payment Dates: | Each March 15 and September 15 beginning on September 15, 2015 |
| Make-Whole Redemption: | At any time prior to March 15, 2018, the Company may redeem all or a part of the Notes, at a redemption price equal to 100% of the principal amount of such notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding the date of redemption, subject to the rights of holders of such notes on the relevant record date to receive interest due on the relevant interest payment date. |

Applicable Premium means, with respect to any Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of such Note; and

(2) the excess, if any, of (a) the present value at such redemption date of (i) the redemption price of such Note at March 15, 2018 (such redemption price being set forth in the table appearing below under the caption "Optional Redemption"), plus (ii) all required interest payments due on such Note through March 15, 2018 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over (b) the principal amount of such Note.

Treasury Rate means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days (but not more than five Business Days) prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to March 15, 2018; *provided, however*, that if the period from such redemption date to March 15, 2018 is not equal to the constant maturity of a United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption

date to March 15, 2018 is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Optional Redemption:

On and after March 15, 2018, the Company may redeem the Notes, in whole or in part at the redemption prices (expressed as percentages of principal amount of such notes to be redeemed) set forth below, plus accrued and unpaid interest thereon, if any, to, but excluding the date of such redemption, subject to the right of holders of such notes of record on the relevant record date to receive interest due on the relevant interest payment date, if redeemed during the twelve-month period beginning on March 15 of each of the years indicated below:

| Year | Percentage |
|---------------------|------------|
| 2018 | 103.469% |
| 2019 | 102.313% |
| 2020 | 101.156% |
| 2021 and thereafter | 100.000% |

Equity Clawback:

In addition, prior to March 15, 2018, the Company may, at a redemption price equal to 104.625% of the aggregate principal amount of the Notes to be redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding the date of such redemption, subject to the right of holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date redeem up to 35% of the principal amount of the Notes with the Net Cash Proceeds of one or more sales of its Capital Stock (other than Disqualified Stock); *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Issue Date remains outstanding after each such redemption and notice of any such redemption is mailed within 90 days of each such sale of Capital Stock.

Trade Date:

March 2, 2015

Settlement Date:

March 5, 2015 (T + 3)

CUSIP / ISIN:

269246 BM5 / US269246BM57

Joint Bookrunners:

Morgan Stanley & Co. LLC

J.P. Morgan Securities LLC

Goldman, Sachs & Co.

Co-Managers:

Credit Suisse Securities (USA) LLC

Wells Fargo Securities, LLC

The Issuer has filed a registration statement (including a prospectus) and a preliminary prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents the Issuer has filed with the SEC for more complete information about the Issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, these documents may be obtained by contacting Morgan Stanley & Co. LLC, at 180 Varick Street, 2nd Floor, New York, NY 10014, Attention: Prospectus Department, by telephone at (866) 718-1649 or by emailing prospectus@morganstanley.com.

Any disclaimers or other notices that may appear below are not applicable to this communication and should be disregarded. Such disclaimers or other notices were automatically generated as a result of this communication being sent via Bloomberg or another email system.