

**FOR IMMEDIATE RELEASE**

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**E\*TRADE FINANCIAL CORPORATION REPORTS  
MONTHLY ACTIVITY FOR AUGUST 2011;  
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES**

**NEW YORK, September 12, 2011** – E\*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for August 2011.

Daily Average Revenue Trades (“DARTs”) for August were 193,546, a 34 percent increase from July and a 57 percent increase from the year-ago period. The company ended the month with approximately 2.8 million brokerage accounts – including gross new brokerage accounts of 36,105 and net new brokerage accounts of 10,148 during the month. Total accounts ended the month at approximately 4.3 million.

Net new brokerage assets were positive \$1.6 billion in the month. During the month, customer security holdings declined by four percent, or \$4.9 billion, and brokerage-related cash declined by \$1.7 billion to \$26.0 billion, while customers were net purchasers of approximately \$2.6 billion in securities. Bank-related cash and deposits decreased by \$0.3 billion, ending the month at \$8.0 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 10 percent from June 30, 2011 to August 31, 2011 and increased four percent from July 31, 2011 to August 31, 2011, while total “at risk” delinquencies (30 to 179 days delinquent) increased two percent from June 30, 2011 to August 31, 2011 and decreased one percent from July 31, 2011 to August 31, 2011. As part of the company’s loss mitigation efforts, it employs certain servicers that specialize in handling higher risk mortgages. In the period that loans are transferred to such servicers there is typically an increase in delinquencies resulting from changes in the payment process. As discussed during the company’s second quarter earnings call, it recently transferred \$1.4 billion of loans to higher quality servicers, representing the company’s largest transfer of this type. The company attributes the majority of the increase in August special mention delinquencies to this transfer. Historically, the majority of such increases in delinquencies have reversed during the following reporting period. Additional loan delinquency data is provided in the second table of this release.

## Monthly Activity Data

|  | <u>Aug-11</u> | <u>Jul-11</u> | <u>Aug-10</u> | <u>% Chg. M/M</u> | <u>% Chg. Y/Y</u> |
|--|---------------|---------------|---------------|-------------------|-------------------|
| Trading days   | 23.0          | 20.0          | 22.0          | N.M.              | N.M.              |
| DARTs  | 193,546       | 144,023       | 123,219       | 34.4 %            | 57.1 %            |
| Gross new brokerage accounts                         | 36,105        | 24,110        | 24,927        | 49.8 %            | 44.8 %            |
| Gross new stock plan accounts                        | 15,455        | 21,380        | 13,502        | (27.7)%           | 14.5 %            |
| Gross new banking accounts                           | 1,780         | 1,666         | 1,664         | 6.8 %             | 7.0 %             |
| Total gross new accounts                             | 53,340        | 47,156        | 40,093        | 13.1 %            | 33.0 %            |
| Net new brokerage accounts                           | 10,148        | 916           | (1,416)       | N.M.              | N.M.              |
| Net new stock plan accounts                          | 4,123         | 7,772         | 3,796         | N.M.              | N.M.              |
| Net new banking accounts                             | (6,002)       | (2,936)       | (9,967)       | N.M.              | N.M.              |
| Net new accounts                                     | 8,269         | 5,752         | (7,587)       | N.M.              | N.M.              |
| End of period brokerage accounts                     | 2,770,837     | 2,760,689     | 2,652,620     | 0.4 %             | 4.5 %             |
| End of period stock plan accounts                    | 1,065,941     | 1,061,818     | 1,033,443     | 0.4 %             | 3.1 %             |
| End of period banking accounts                       | 475,629       | 481,631       | 544,999       | (1.2)%            | (12.7)%           |
| End of period total accounts                         | 4,312,407     | 4,304,138     | 4,231,062     | 0.2 %             | 1.9 %             |
| <b>Customer Assets (\$B)</b>                         |               |               |               |                   |                   |
| Security holdings                                    | \$ 119.9      | \$ 124.8      | \$ 101.9      | (3.9)%            | 17.7 %            |
| Customer payables (cash)                             | 5.3           | 5.8           | 3.8           | (8.6)%            | 39.5 %            |
| Customer cash balances held by third parties         | 3.3           | 3.5           | 3.0           | (5.7)%            | 10.0 %            |
| Unexercised stock plan customer options (vested)     | 18.9          | 21.9          | 14.6          | (13.7)%           | 29.5 %            |
| Customer assets in brokerage and stock plan accounts | 147.4         | 156.0         | 123.3         | (5.5)%            | 19.5 %            |
| Sweep deposits                                       | 17.4          | 18.4          | 13.9          | (5.4)%            | 25.2 %            |
| Savings, transaction and other                       | 8.0           | 8.3           | 9.4           | (3.6)%            | (14.9)%           |
| Customer assets in banking accounts                  | 25.4          | 26.7          | 23.3          | (4.9)%            | 9.0 %             |
| Total customer assets                                | \$ 172.8      | \$ 182.7      | \$ 146.6      | (5.4)%            | 17.9 %            |
| Net new brokerage assets (\$B) <sup>(1)</sup>        | \$ 1.6        | \$ 0.4        | \$ 0.4        | N.M.              | N.M.              |
| Net new banking assets (\$B) <sup>(1)</sup>          | (0.4)         | (0.1)         | (0.3)         | N.M.              | N.M.              |
| Net new customer assets (\$B) <sup>(1)</sup>         | \$ 1.2        | \$ 0.3        | \$ 0.1        | N.M.              | N.M.              |
| Brokerage related cash (\$B)                         | \$ 26.0       | \$ 27.7       | \$ 20.7       | (6.1)%            | 25.6 %            |
| Other customer cash and deposits (\$B)               | 8.0           | 8.3           | 9.4           | (3.6)%            | (14.9)%           |
| Total customer cash and deposits (\$B)               | \$ 34.0       | \$ 36.0       | \$ 30.1       | (5.6)%            | 13.0 %            |

(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.

## Loan Delinquency Data

|                                       | Aug-11    | Jul-11    | Jun-11    | % Chg.<br>Aug 11 -<br>Jul 11 | % Chg.<br>Jul 11 -<br>Jun 11 | % Chg.<br>Aug 11 -<br>Jun 11 |
|---------------------------------------|-----------|-----------|-----------|------------------------------|------------------------------|------------------------------|
| <u>One- to Four-Family (\$MM)</u>     |           |           |           |                              |                              |                              |
| Current                               | \$ 6,066  | \$ 6,177  | \$ 6,277  | (2)%                         | (2)%                         | (3)%                         |
| 30-89 days delinquent                 | 324       | 287       | 286       | 13 %                         | 0 %                          | 13 %                         |
| 90-179 days delinquent                | 146       | 165       | 167       | (12)%                        | (1)%                         | (13)%                        |
| Total 30-179 days delinquent          | 470       | 452       | 453       | 4 %                          | (0)%                         | 4 %                          |
| 180+ days delinquent                  | 582       | 613       | 645       | (5)%                         | (5)%                         | (10)%                        |
| Total delinquent loans <sup>(1)</sup> | 1,052     | 1,065     | 1,098     | (1)%                         | (3)%                         | (4)%                         |
| Gross loans receivable <sup>(2)</sup> | \$ 7,118  | \$ 7,242  | \$ 7,375  | (2)%                         | (2)%                         | (3)%                         |
| <u>Home Equity (\$MM)</u>             |           |           |           |                              |                              |                              |
| Current                               | \$ 5,398  | \$ 5,470  | \$ 5,579  | (1)%                         | (2)%                         | (3)%                         |
| 30-89 days delinquent                 | 164       | 178       | 155       | (8)%                         | 15 %                         | 6 %                          |
| 90-179 days delinquent                | 107       | 113       | 116       | (5)%                         | (3)%                         | (8)%                         |
| Total 30-179 days delinquent          | 271       | 291       | 271       | (7)%                         | 7 %                          | 0 %                          |
| 180+ days delinquent                  | 52        | 51        | 51        | 2 %                          | 0 %                          | 2 %                          |
| Total delinquent loans <sup>(1)</sup> | 323       | 342       | 322       | (6)%                         | 6 %                          | 0 %                          |
| Gross loans receivable <sup>(2)</sup> | \$ 5,721  | \$ 5,812  | \$ 5,901  | (2)%                         | (2)%                         | (3)%                         |
| <u>Consumer and Other (\$MM)</u>      |           |           |           |                              |                              |                              |
| Current                               | \$ 1,206  | \$ 1,228  | \$ 1,254  | (2)%                         | (2)%                         | (4)%                         |
| 30-89 days delinquent                 | 18        | 20        | 20        | (10)%                        | 0 %                          | (10)%                        |
| 90-179 days delinquent                | 5         | 5         | 4         | 0 %                          | 25 %                         | 25 %                         |
| Total 30-179 days delinquent          | 23        | 25        | 24        | (8)%                         | 4 %                          | (4)%                         |
| 180+ days delinquent                  | -         | -         | -         | 0 %                          | 0 %                          | 0 %                          |
| Total delinquent loans                | 23        | 25        | 24        | (8)%                         | 4 %                          | (4)%                         |
| Gross loans receivable <sup>(2)</sup> | \$ 1,229  | \$ 1,253  | \$ 1,278  | (2)%                         | (2)%                         | (4)%                         |
| <u>Total Loans Receivable (\$MM)</u>  |           |           |           |                              |                              |                              |
| Current                               | \$ 12,670 | \$ 12,875 | \$ 13,110 | (2)%                         | (2)%                         | (3)%                         |
| 30-89 days delinquent                 | 506       | 485       | 461       | 4 %                          | 5 %                          | 10 %                         |
| 90-179 days delinquent                | 258       | 283       | 287       | (9)%                         | (1)%                         | (10)%                        |
| Total 30-179 days delinquent          | 764       | 768       | 748       | (1)%                         | 3 %                          | 2 %                          |
| 180+ days delinquent                  | 634       | 664       | 696       | (5)%                         | (5)%                         | (9)%                         |
| Total delinquent loans                | 1,398     | 1,432     | 1,444     | (2)%                         | (1)%                         | (3)%                         |
| Gross loans receivable <sup>(2)</sup> | \$ 14,068 | \$ 14,307 | \$ 14,554 | (2)%                         | (2)%                         | (3)%                         |

<sup>(1)</sup> Delinquent loans include charge-offs for loans that are in bankruptcy or are 180 days past due which have been written down to their fair value.

<sup>(2)</sup> Includes unpaid principal balances and premiums (discounts).

Historical metrics and financials through August 2011 can be found on E\*TRADE Financial's investor relations website at <https://investor.etrade.com>.

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