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

NEW YORK, March 16, 2011 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for February 2011.

Daily Average Revenue Trades (“DARTs”) for February were 185,717, a three percent increase from January and a 34 percent increase from the year-ago period. The company ended the month with approximately 2.7 million brokerage accounts – including gross new brokerage accounts of 37,109 and net new brokerage accounts of 18,343 during the month. Total accounts ended the month at approximately 4.3 million.

Net new brokerage assets were positive \$1.4 billion in the month, the highest level since October 2008. During the month, customer security holdings increased by four percent, or \$5.4 billion, and brokerage-related cash increased by \$0.7 billion to \$25.9 billion, while customers were net buyers of approximately \$0.8 billion in securities in February. Bank-related cash and deposits increased by \$0.1 billion, ending the month at \$8.9 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 seven percent from December 31, 2010 to February 28, 2011 and decreased two percent from January 31, 2011 to February 28, 2011, while total “at risk” delinquencies (30 to 179 days delinquent) decreased by five percent from December 31, 2010 to February 28, 2011 and declined one percent from January 31, 2011 to February 28, 2011. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	<u>Feb-11</u>	<u>Jan-11</u>	<u>Feb-10⁽¹⁾</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	19.0	20.0	19.0	N.M.	N.M.
DARTs	185,717	180,967	138,728	2.6 %	33.9 %
Gross new brokerage accounts	37,109	37,005	29,897	0.3 %	24.1 %
Gross new stock plan accounts	12,121	29,267	10,178	(58.6)%	19.1 %
Gross new banking accounts	1,846	1,942	2,351	(4.9)%	(21.5)%
Total gross new accounts	<u>51,076</u>	<u>68,214</u>	<u>42,426</u>	(25.1)%	20.4 %
Net new brokerage accounts	18,343	12,504	7,761	N.M.	N.M.
Net new stock plan accounts	176	16,201	(4,056)	N.M.	N.M.
Net new banking accounts	(4,927)	(6,275)	(17,427)	N.M.	N.M.
Net new accounts	<u>13,592</u>	<u>22,430</u>	<u>(13,722)</u>	N.M.	N.M.
End of period brokerage accounts	2,715,158	2,696,815	2,635,448	0.7 %	3.0 %
End of period stock plan accounts	1,064,901	1,064,725	1,022,774	0.0 %	4.1 %
End of period banking accounts	503,795	508,722	695,431	(1.0)%	(27.6)%
End of period total accounts	<u>4,283,854</u>	<u>4,270,262</u>	<u>4,353,653</u>	0.3 %	(1.6)%
Customer Assets (\$B)					
Security holdings	\$ 129.7	\$ 124.3	\$ 101.5	4.3 %	27.8 %
Customer payables (cash)	5.3	5.3	4.6	0.0 %	15.2 %
Customer cash balances held by third parties	3.5	3.4	3.1	2.9 %	12.9 %
Unexercised stock plan customer options (vested)	24.8	23.0	16.6	7.8 %	49.4 %
Customer assets in brokerage and stock plan accounts	<u>163.3</u>	<u>156.0</u>	<u>125.8</u>	4.7 %	29.8 %
Sweep deposits	17.1	16.5	12.6	3.6 %	35.7 %
Savings and transaction deposits	8.5	8.4	11.1	1.2 %	(23.4)%
CDs	0.4	0.4	1.1	0.0 %	(63.6)%
Customer assets in banking accounts	<u>26.0</u>	<u>25.3</u>	<u>24.8</u>	2.8 %	4.8 %
Total customer assets	<u>\$ 189.3</u>	<u>\$ 181.3</u>	<u>\$ 150.6</u>	4.4 %	25.7 %
Net new brokerage assets (\$B) ⁽²⁾	\$ 1.4	\$ 1.2	\$ 0.6	N.M.	N.M.
Net new banking assets (\$B) ⁽²⁾	<u>0.1</u>	<u>(0.2)</u>	<u>(0.3)</u>	N.M.	N.M.
Net new customer assets (\$B) ⁽²⁾	<u>\$ 1.5</u>	<u>\$ 1.0</u>	<u>\$ 0.3</u>	N.M.	N.M.
Brokerage related cash (\$B)	\$ 25.9	\$ 25.2	\$ 20.3	2.8 %	27.6 %
Other customer cash and deposits (\$B)	8.9	8.8	12.2	1.1 %	(27.0)%
Total customer cash and deposits (\$B)	<u>\$ 34.8</u>	<u>\$ 34.0</u>	<u>\$ 32.5</u>	2.4 %	7.1 %

⁽¹⁾ All periods presented have been updated to exclude international local activity.

⁽²⁾ 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

	Feb-11	Jan-11	Dec-10	% Chg. Feb 11 - Jan 11	% Chg. Jan 11 - Dec 10	% Chg. Feb 11 - Dec 10
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 6,573	\$ 6,680	\$ 6,800	(2)%	(2)%	(3)%
30-89 days delinquent	334	342	389	(2)%	(12)%	(14)%
90-179 days delinquent	225	224	226	0 %	(1)%	(0)%
Total 30-179 days delinquent	559	566	615	(1)%	(8)%	(9)%
180+ days delinquent ⁽³⁾	749	782	785	(4)%	(0)%	(5)%
Total delinquent loans	1,308	1,348	1,400	(3)%	(4)%	(7)%
Gross loans receivable ⁽⁴⁾	\$ 7,881	\$ 8,028	\$ 8,200	(2)%	(2)%	(4)%
<u>Home Equity (\$MM)</u>						
Current	\$ 5,910	\$ 6,005	\$ 6,121	(2)%	(2)%	(3)%
30-89 days delinquent	189	189	175	0 %	8 %	8 %
90-179 days delinquent	140	143	143	(2)%	0 %	(2)%
Total 30-179 days delinquent	329	332	318	(1)%	4 %	3 %
180+ days delinquent ⁽³⁾	54	54	52	0 %	4 %	4 %
Total delinquent loans	383	386	370	(1)%	4 %	4 %
Gross loans receivable ⁽⁴⁾	\$ 6,293	\$ 6,391	\$ 6,491	(2)%	(2)%	(3)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 1,377	\$ 1,405	\$ 1,431	(2)%	(2)%	(4)%
30-89 days delinquent	24	25	25	(4)%	0 %	(4)%
90-179 days delinquent	4	5	5	(20)%	0 %	(20)%
Total 30-179 days delinquent	28	30	30	(7)%	0 %	(7)%
180+ days delinquent ⁽³⁾	1	1	1	0 %	0 %	0 %
Total delinquent loans	29	31	31	(6)%	0 %	(6)%
Gross loans receivable ⁽⁴⁾	\$ 1,406	\$ 1,436	\$ 1,462	(2)%	(2)%	(4)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 13,860	\$ 14,090	\$ 14,352	(2)%	(2)%	(3)%
30-89 days delinquent	547	556	589	(2)%	(6)%	(7)%
90-179 days delinquent	369	372	374	(1)%	(1)%	(1)%
Total 30-179 days delinquent	916	928	963	(1)%	(4)%	(5)%
180+ days delinquent ⁽³⁾	804	837	838	(4)%	(0)%	(4)%
Total delinquent loans	1,720	1,765	1,801	(3)%	(2)%	(4)%
Total gross loans receivable ⁽⁴⁾	\$ 15,580	\$ 15,855	\$ 16,153	(2)%	(2)%	(4)%

⁽³⁾ Loans that are delinquent for 180+ days have been written down to estimated current property value.

⁽⁴⁾ Includes unpaid principal balances and premiums (discounts).

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

About E*TRADE Financial

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