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

NEW YORK, June 15, 2011 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for May 2011.

Daily Average Revenue Trades (“DARTs”) for May were 153,943, a four percent decrease from April and a 22 percent decrease from the year-ago period. The company ended the month with approximately 2.8 million brokerage accounts – including gross new brokerage accounts of 28,895 and net new brokerage accounts of 4,520 during the month. Total accounts ended the month at approximately 4.3 million.

Net new brokerage assets were positive \$0.6 billion in the month. During the month, customer security holdings declined by two percent, and brokerage-related cash increased by \$0.1 billion to \$26.5 billion, while customers were net purchasers of approximately \$0.4 billion in securities. Bank-related cash and deposits decreased by \$0.1 billion, ending the month at \$8.5 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 three percent from March 31, 2011 to May 31, 2011 and increased four percent from April 30, 2011 to May 31, 2011, while total “at risk” delinquencies (30 to 179 days delinquent) decreased seven percent from March 31, 2011 to May 31, 2011 and increased two percent from April 30, 2011 to May 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. May’s results include an expected increase in special mention delinquencies for 1-4 family mortgages due to a transfer of this type. Historically, such increases in delinquencies have reversed during the following reporting period. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	<u>May-11</u>	<u>Apr-11</u>	<u>May-10</u>	<u>% Chg. M/M</u>	<u>% Chg. Y/Y</u>
Trading days	21.0	20.0	20.0	N.M.	N.M.
DARTs	153,943	160,907	196,074	(4.3)%	(21.5)%
Gross new brokerage accounts	28,895	42,421	30,349	(31.9)%	(4.8)%
Gross new stock plan accounts	12,894	12,290	17,472	4.9 %	(26.2)%
Gross new banking accounts	1,856	1,890	2,124	(1.8)%	(12.6)%
Total gross new accounts	43,645	56,601	49,945	(22.9)%	(12.6)%
Net new brokerage accounts	4,520	17,849	5,055	N.M.	N.M.
Net new stock plan accounts	(2,210)	(11,297)	4,707	N.M.	N.M.
Net new banking accounts	(4,682)	(4,769)	(11,055)	N.M.	N.M.
Net new accounts	(2,372)	1,783	(1,293)	N.M.	N.M.
End of period brokerage accounts	2,757,192	2,752,672	2,654,659	0.2 %	3.9 %
End of period stock plan accounts	1,054,598	1,056,808	1,031,068	(0.2)%	2.3 %
End of period banking accounts	489,217	493,899	578,219	(0.9)%	(15.4)%
End of period total accounts	4,301,007	4,303,379	4,263,946	(0.1)%	0.9 %
Customer Assets (\$B)					
Security holdings	\$ 131.1	\$ 133.8	\$ 103.8	(2.0)%	26.3 %
Customer payables (cash)	5.2	5.6	3.8	(7.1)%	36.8 %
Customer cash balances held by third parties	3.7	3.4	3.1	8.8 %	19.4 %
Unexercised stock plan customer options (vested)	24.8	25.3	16.4	(2.0)%	51.2 %
Customer assets in brokerage and stock plan accounts	164.8	168.1	127.1	(2.0)%	29.7 %
Sweep deposits	17.6	17.4	14.0	1.1 %	25.7 %
Savings, transaction and other	8.5	8.6	10.2	(1.2)%	(16.7)%
Customer assets in banking accounts	26.1	26.0	24.2	0.4 %	7.9 %
Total customer assets	\$ 190.9	\$ 194.1	\$ 151.3	(1.6)%	26.2 %
Net new brokerage assets (\$B) ⁽¹⁾	\$ 0.6	\$ 0.8	\$ 1.0	N.M.	N.M.
Net new banking assets (\$B) ⁽¹⁾	(0.1)	(0.2)	(0.4)	N.M.	N.M.
Net new customer assets (\$B) ⁽¹⁾	\$ 0.5	\$ 0.6	\$ 0.6	N.M.	N.M.
Brokerage related cash (\$B)	\$ 26.5	\$ 26.4	\$ 20.9	0.4 %	26.8 %
Other customer cash and deposits (\$B)	8.5	8.6	10.2	(1.2)%	(16.7)%
Total customer cash and deposits (\$B)	\$ 35.0	\$ 35.0	\$ 31.1	0.0 %	12.5 %

⁽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

	May-11	Apr-11	Mar-11	% Chg. May 11 - Apr 11	% Chg. Apr 11 - Mar 11	% Chg. May 11 - Mar 11
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 6,308	\$ 6,428	\$ 6,464	(2)%	(1)%	(2)%
30-89 days delinquent	315	293	330	8 %	(11)%	(5)%
90-179 days delinquent	181	174	213	4 %	(18)%	(15)%
Total 30-179 days delinquent	496	467	543	6 %	(14)%	(9)%
180+ days delinquent	676	715	741	(5)%	(4)%	(9)%
Total delinquent loans ⁽¹⁾	1,172	1,182	1,284	(1)%	(8)%	(9)%
Gross loans receivable ⁽²⁾	\$ 7,480	\$ 7,610	\$ 7,748	(2)%	(2)%	(3)%
<u>Home Equity (\$MM)</u>						
Current	\$ 5,679	\$ 5,757	\$ 5,844	(1)%	(1)%	(3)%
30-89 days delinquent	155	160	155	(3)%	3 %	0 %
90-179 days delinquent	119	127	136	(6)%	(7)%	(13)%
Total 30-179 days delinquent	274	287	291	(5)%	(1)%	(6)%
180+ days delinquent	52	54	54	(4)%	0 %	(4)%
Total delinquent loans ⁽¹⁾	326	341	345	(4)%	(1)%	(6)%
Gross loans receivable ⁽²⁾	\$ 6,005	\$ 6,098	\$ 6,189	(2)%	(1)%	(3)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 1,276	\$ 1,299	\$ 1,324	(2)%	(2)%	(4)%
30-89 days delinquent	24	23	24	4 %	(4)%	0 %
90-179 days delinquent	5	5	3	0 %	67 %	67 %
Total 30-179 days delinquent	29	28	27	4 %	4 %	7 %
180+ days delinquent	-	1	1	(100)%	0 %	(100)%
Total delinquent loans	29	29	28	0 %	4 %	4 %
Gross loans receivable ⁽²⁾	\$ 1,305	\$ 1,328	\$ 1,352	(2)%	(2)%	(3)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 13,263	\$ 13,484	\$ 13,632	(2)%	(1)%	(3)%
30-89 days delinquent	494	476	509	4 %	(6)%	(3)%
90-179 days delinquent	305	306	352	(0)%	(13)%	(13)%
Total 30-179 days delinquent	799	782	861	2 %	(9)%	(7)%
180+ days delinquent	728	770	796	(5)%	(3)%	(9)%
Total delinquent loans	1,527	1,552	1,657	(2)%	(6)%	(8)%
Gross loans receivable ⁽²⁾	\$ 14,790	\$ 15,036	\$ 15,289	(2)%	(2)%	(3)%

⁽¹⁾ 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.

⁽²⁾ Includes unpaid principal balances and premiums (discounts).

Historical metrics and financials through May 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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