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**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR AUGUST 2013;
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES**

NEW YORK, September 18, 2013 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for August 2013.

Daily Average Revenue Trades (“DARTs”) for August were 147,517, a five percent increase from July and a 21 percent increase from the year-ago period. The Company added 30,132 gross new brokerage accounts in August, ending the month with approximately 3.0 million brokerage accounts – an increase of 9,466 from July. Total accounts ended the month at approximately 4.6 million.

Net new brokerage assets were positive \$1.1 billion in the month. During the month, customer security holdings decreased by one percent, or \$0.8 billion, and brokerage-related cash ended the month unchanged at \$36.8 billion. Bank-related cash and deposits also ended the month unchanged, at \$6.5 billion. Customers were net buyers of approximately \$1.0 billion in securities during the month.

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 nine percent from June 30, 2013 to August 31, 2013 and decreased 21 percent from July 31, 2013 to August 31, 2013, while total “at risk” delinquencies (30 to 179 days delinquent) increased four percent from June 30, 2013 to August 31, 2013 and decreased 17 percent from July 31, 2013 to August 31, 2013. Additional loan delinquency data is provided in the second table of this release.

The Company recently completed a servicer transfer of \$1.6 billion in 1-4 family mortgages, prompted by changes to a servicer relationship. Servicer transfers typically create a temporary spike in delinquencies resulting from changes to borrower payment processes, which was demonstrated in July’s increase in special mention delinquencies. Based on data received to date, and consistent with previous servicer transfers, the Company expects this temporary increase in delinquencies to revert to pre-transfer levels for the September reporting period.

(more)

Monthly Activity Data

	Aug-13	Jul-13	Aug-12	% Chg. M/M	% Chg. Y/Y
Trading days	22.0	21.5	23.0	N.M.	N.M.
DARTs	147,517	140,898	121,570	4.7 %	21.3 %
Gross new brokerage accounts	30,132	25,030	33,303	20.4 %	(9.5)%
Gross new stock plan accounts	26,827	20,310	26,649	32.1 %	0.7 %
Gross new banking accounts	803	852	1,365	(5.8)%	(41.2)%
Total gross new accounts	57,762	46,192	61,317	25.0 %	(5.8)%
Net new brokerage accounts	9,466	(1,859)	18,034	N.M.	N.M.
Net new stock plan accounts	13,616	5,691	9,478	N.M.	N.M.
Net new banking accounts	(2,432)	(2,497)	(2,507)	N.M.	N.M.
Net new accounts	20,650	1,335	25,005	N.M.	N.M.
End of period brokerage accounts	2,970,338	2,960,872	2,888,276	0.3 %	2.8 %
End of period stock plan accounts	1,205,114	1,191,498	1,119,088	1.1 %	7.7 %
End of period banking accounts	408,667	411,099	440,296	(0.6)%	(7.2)%
End of period total accounts	4,584,119	4,563,469	4,447,660	0.5 %	3.1 %
Customer Assets (\$B)					
Security holdings	\$ 158.3	\$ 159.1	\$ 139.3	(0.5)%	13.6 %
Customer payables (cash)	5.4	5.6	5.8	(3.6)%	(6.9)%
Customer cash balances held by third parties ⁽¹⁾	12.0	11.8	3.9	1.7 %	207.7 %
Unexercised stock plan customer options (vested)	30.7	31.7	22.3	(3.2)%	37.7 %
Customer assets in brokerage and stock plan accounts	206.4	208.2	171.3	(0.9)%	20.5 %
Sweep deposits	19.4	19.4	21.7	0.0 %	(10.6)%
Savings, transaction and other	6.5	6.5	7.3	0.0 %	(11.0)%
Customer assets in banking accounts	25.9	25.9	29.0	0.0 %	(10.7)%
Total customer assets	\$ 232.3	\$ 234.1	\$ 200.3	(0.8)%	16.0 %
Net new brokerage assets (\$B) ⁽²⁾	\$ 1.1	\$ 0.6	\$ 1.1	N.M.	N.M.
Net new banking assets (\$B) ⁽²⁾	(0.0)	(0.1)	0.0	N.M.	N.M.
Net new customer assets (\$B) ⁽²⁾	\$ 1.1	\$ 0.5	\$ 1.1	N.M.	N.M.
Brokerage related cash (\$B)	\$ 36.8	\$ 36.8	\$ 31.4	0.0 %	17.2 %
Other customer cash and deposits (\$B)	6.5	6.5	7.3	0.0 %	(11.0)%
Total customer cash and deposits (\$B)	\$ 43.3	\$ 43.3	\$ 38.7	0.0 %	11.9 %
Customer net (purchase) / sell activity (\$B)	\$ (1.0)	\$ 0.9	\$ 1.2	N.M.	N.M.

(1) Customer cash balances held by third parties are held outside E*TRADE Financial and include money market funds and sweep deposit accounts at unaffiliated financial institutions.

(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.

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Loan Delinquency Data

	Aug-13	Jul-13	Jun-13	% Chg. Aug 13 - Jul 13	% Chg. Jul 13 - Jun 13	% Chg. Aug 13 - Jun 13
<u>One- to Four-Family (\$MM)</u>						
Current	\$ 4,305	\$ 4,309	\$ 4,495	(0)%	(4)%	(4)%
30-89 days delinquent	216	296	187	(27)%	58 %	16 %
90-179 days delinquent	70	74	76	(5)%	(3)%	(8)%
Total 30-179 days delinquent	286	370	263	(23)%	41 %	9 %
180+ days delinquent	243	252	262	(4)%	(4)%	(7)%
Total delinquent loans ⁽¹⁾	529	622	525	(15)%	18 %	1 %
Gross loans receivable ⁽²⁾	\$ 4,834	\$ 4,931	\$ 5,020	(2)%	(2)%	(4)%
<u>Home Equity (\$MM)</u>						
Current	\$ 3,555	\$ 3,621	\$ 3,689	(2)%	(2)%	(4)%
30-89 days delinquent	66	67	70	(1)%	(4)%	(6)%
90-179 days delinquent	38	39	42	(3)%	(7)%	(10)%
Total 30-179 days delinquent	104	106	112	(2)%	(5)%	(7)%
180+ days delinquent	39	41	41	(5)%	0 %	(5)%
Total delinquent loans ⁽¹⁾	143	147	153	(3)%	(4)%	(7)%
Gross loans receivable ⁽²⁾	\$ 3,698	\$ 3,768	\$ 3,842	(2)%	(2)%	(4)%
<u>Consumer and Other (\$MM)</u>						
Current	\$ 648	\$ 666	\$ 681	(3)%	(2)%	(5)%
30-89 days delinquent	12	11	12	9 %	(8)%	0 %
90-179 days delinquent	2	2	2	0 %	0 %	0 %
Total 30-179 days delinquent	14	13	14	8 %	(7)%	0 %
180+ days delinquent	-	-	-	N.M.	N.M.	N.M.
Total delinquent loans	14	13	14	8 %	(7)%	0 %
Gross loans receivable ⁽²⁾	\$ 662	\$ 679	\$ 695	(3)%	(2)%	(5)%
<u>Total Loans Receivable (\$MM)</u>						
Current	\$ 8,508	\$ 8,596	\$ 8,865	(1)%	(3)%	(4)%
30-89 days delinquent	294	374	269	(21)%	39 %	9 %
90-179 days delinquent	110	115	120	(4)%	(4)%	(8)%
Total 30-179 days delinquent	404	489	389	(17)%	26 %	4 %
180+ days delinquent	282	293	303	(4)%	(3)%	(7)%
Total delinquent loans ⁽¹⁾	686	782	692	(12)%	13 %	(1)%
Total gross loans receivable ⁽²⁾	\$ 9,194	\$ 9,378	\$ 9,557	(2)%	(2)%	(4)%

(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 expected recovery value.

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

Historical metrics and financials can be found on E*TRADE Financial's corporate website at <https://about.etrade.com>.

About E*TRADE Financial

The E*TRADE Financial family of companies provides 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. More information is available at www.etrade.com.

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Forward-Looking Statements

The statements contained in this news release that are forward looking, including statements regarding expectations for loan delinquency levels in future reporting periods, are subject to a number of uncertainties and risks, and actual results may differ materially. Further information about these uncertainties and risks 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"). 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.