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E*TRADE Financial Media Relations Contact

Susan Hickey
646-521-4675
susan.hickey@etrade.com

E*TRADE Financial Investor Relations Contact

Brett Goodman
646-521-4406
brett.goodman@etrade.com

**E*TRADE FINANCIAL CORPORATION REPORTS
MONTHLY ACTIVITY FOR AUGUST 2010;
PROVIDES UPDATES TO ITS LOAN DELINQUENCIES**

New York, September 15, 2010 – E*TRADE Financial Corporation (NASDAQ: ETFC) today released its Monthly Activity Report for August 2010.

Daily Average Revenue Trades (“DARTs”) for August were 123,219, a five percent decrease from July and a 36 percent decrease from the year-ago period. The Company added 24,927 gross new brokerage accounts in August, ending the month with nearly 2.7 million brokerage accounts – a decrease of 1,416 from July. Total accounts ended the month at approximately 4.2 million.

Net new brokerage assets were positive \$0.4 billion in the month, totaling \$5.2 billion year-to-date. During the month, customer security holdings decreased three percent, or \$3.2 billion, and brokerage-related cash declined by \$0.5 billion to \$20.7 billion, with customers as net buyers of approximately \$1.0 billion in securities in August. Bank-related cash and deposits declined by \$0.3 billion in 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) declined by six percent from June 30, 2010 to August 31, 2010, while total “at risk” delinquencies (30 to 179 days delinquent) declined by seven percent during the same period. Additional loan delinquency data is provided in the second table of this release.

(more)

Monthly Activity Data

	Aug-10	Jul-10	Aug-09 ⁽¹⁾	% Chg. M/M	% Chg. Y/Y
Trading days	22.0	21.0	21.0	N.M.	N.M.
DARTs	123,219	129,147	192,197	(4.6)%	(35.9)%
Gross new brokerage accounts	24,927	24,034	29,985	3.7 %	(16.9)%
Gross new stock plan accounts	13,502	16,610	12,054	(18.7)%	12.0 %
Gross new banking accounts	1,664	1,544	3,402	7.8 %	(51.1)%
Total gross new accounts	40,093	42,188	45,441	(5.0)%	(11.8)%
Net new brokerage accounts	(1,416)	4,536	10,364	N.M.	N.M.
Net new stock plan accounts	3,796	(1,000)	4,545	N.M.	N.M.
Net new banking accounts	(9,967)	(10,422)	(11,842)	N.M.	N.M.
Net new accounts	(7,587)	(6,886)	3,067	N.M.	N.M.
End of period brokerage accounts	2,652,620	2,654,036	2,644,162	(0.1)%	0.3 %
End of period stock plan accounts	1,033,443	1,029,647	1,014,825	0.4 %	1.8 %
End of period banking accounts	544,999	554,966	770,228	(1.8)%	(29.2)%
End of period total accounts	4,231,062	4,238,649	4,429,215	(0.2)%	(4.5)%
Customer Assets (\$B)					
Security holdings	\$ 101.9	\$ 105.1	\$ 90.0	(3.0)%	13.2 %
Customer payables (cash)	3.8	4.2	4.9	(9.5)%	(22.4)%
Customer cash balances held by third parties	3.0	3.0	2.9	0.0 %	3.4 %
Unexercised stock plan customer options (vested)	14.6	16.1	14.9	(9.3)%	(2.0)%
Customer assets in brokerage and stock plan accounts	123.3	128.4	112.7	(4.0)%	9.4 %
Sweep deposit accounts	13.9	14.0	11.9	(0.7)%	16.8 %
Savings and transaction accounts	8.8	9.0	13.2	(2.2)%	(33.3)%
CDs	0.6	0.7	1.5	(14.3)%	(60.0)%
Customer assets in banking accounts	23.3	23.7	26.6	(1.7)%	(12.4)%
Total customer assets	\$ 146.6	\$ 152.1	\$ 139.3	(3.6)%	5.2 %
Net new brokerage assets (\$B) ⁽²⁾	\$ 0.4	\$ 0.5	\$ 0.5	N.M.	N.M.
Net new banking assets (\$B) ⁽²⁾	(0.3)	(0.2)	(0.4)	N.M.	N.M.
Net new customer assets (\$B) ⁽²⁾	\$ 0.1	\$ 0.3	\$ 0.1	N.M.	N.M.
Brokerage related cash (\$B)	\$ 20.7	\$ 21.2	\$ 19.7	(2.4)%	5.1 %
Other customer cash and deposits (\$B)	9.4	9.7	14.7	(3.1)%	(36.1)%
Total customer cash and deposits (\$B)	\$ 30.1	\$ 30.9	\$ 34.4	(2.6)%	(12.5)%

⁽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

	Aug-10	Jul-10	Jun-10	% Chg. Aug 10 - Jul 10	% Chg. Jul 10 - Jun 10	% Chg. Aug 10 - Jun 10
<i>One- to Four-Family (\$MM)</i>						
Current	\$ 7,404	\$ 7,527	\$ 7,656	(2)%	(2)%	(3)%
30-89 days delinquent	401	410	438	(2)%	(6)%	(8)%
90-179 days delinquent	258	295	290	(13)%	2 %	(11)%
Total 30-179 days delinquent	659	705	728	(7)%	(3)%	(9)%
180+ days delinquent ⁽³⁾	845	874	881	(3)%	(1)%	(4)%
Total delinquent loans	1,504	1,579	1,609	(5)%	(2)%	(7)%
Gross loans receivable ⁽⁴⁾	\$ 8,908	\$ 9,106	\$ 9,265	(2)%	(2)%	(4)%
<i>Home Equity (\$MM)</i>						
Current	\$ 6,554	\$ 6,660	\$ 6,771	(2)%	(2)%	(3)%
30-89 days delinquent	196	200	197	(2)%	2 %	(1)%
90-179 days delinquent	145	151	155	(4)%	(3)%	(6)%
Total 30-179 days delinquent	341	351	352	(3)%	(0)%	(3)%
180+ days delinquent ⁽³⁾	57	58	58	(2)%	0 %	(2)%
Total delinquent loans	398	409	410	(3)%	(0)%	(3)%
Gross loans receivable ⁽⁴⁾	\$ 6,952	\$ 7,069	\$ 7,181	(2)%	(2)%	(3)%
<i>Consumer and Other (\$MM)</i>						
Current	\$ 1,584	\$ 1,614	\$ 1,647	(2)%	(2)%	(4)%
30-89 days delinquent	24	27	25	(11)%	8 %	(4)%
90-179 days delinquent	5	5	5	0 %	0 %	0 %
Total 30-179 days delinquent	29	32	30	(9)%	7 %	(3)%
180+ days delinquent ⁽³⁾	1	1	1	0 %	0 %	0 %
Total delinquent loans	30	33	31	(9)%	6 %	(3)%
Gross loans receivable ⁽⁴⁾	\$ 1,614	\$ 1,647	\$ 1,678	(2)%	(2)%	(4)%
<i>Total Loans Receivable (\$MM)</i>						
Current	\$ 15,542	\$ 15,801	\$ 16,074	(2)%	(2)%	(3)%
30-89 days delinquent	621	637	660	(3)%	(3)%	(6)%
90-179 days delinquent	408	451	450	(10)%	0 %	(9)%
Total 30-179 days delinquent	1,029	1,088	1,110	(5)%	(2)%	(7)%
180+ days delinquent ⁽³⁾	903	933	940	(3)%	(1)%	(4)%
Total delinquent loans	1,932	2,021	2,050	(4)%	(1)%	(6)%
Total gross loans receivable ⁽⁴⁾	\$ 17,474	\$ 17,822	\$ 18,124	(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 August 2010 can be found on the E*TRADE Financial investor relations site at <https://investor.etrade.com>.

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