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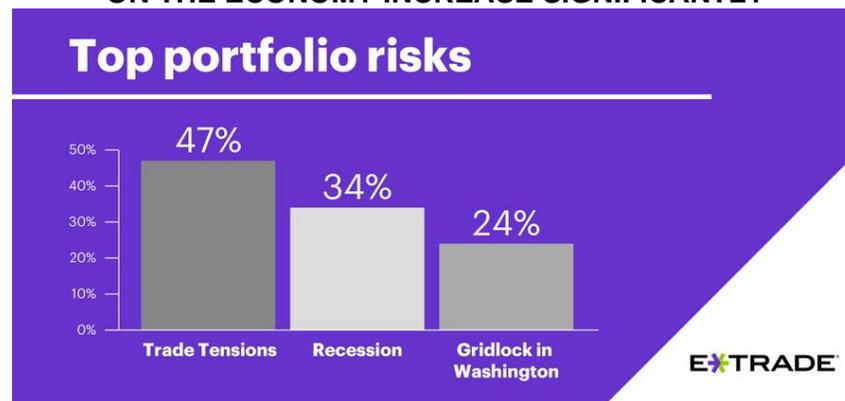
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E*TRADE STUDY REVEALS INVESTORS TURN BEARISH AS NEGATIVE VIEWS ON THE ECONOMY INCREASE SIGNIFICANTLY



More than half of investors think the economy has hit its peak, up 16 percentage points since the beginning of the year

NEW YORK, October 11, 2019 — E*TRADE Financial Corporation (NASDAQ: ETFC) today announced results from the most recent wave of *StreetWise*, the E*TRADE quarterly tracking study of experienced investors. Results indicate increasingly bearish investor views:

- **Bearish sentiment rose.** Bearishness rose 11 percentage points since last quarter, to 50%.
- **Trade concerns loom large; recession concerns grow.** Nearly half of investors think US trade tensions pose the biggest risk to their portfolios (47%), followed by recession (34%), and gridlock in Washington (24%). Recession concerns ticked up six percentage points since last quarter.
- **Majority think we've reached our peak.** More than half of investors believe our economy has reached its peak (52%), up 16 percentage points since the beginning of the year.
- **And fewer give the economy a good grade.** Nearly three out of five of investors would give our economy an "A" or "B" grade (58%), down 11 percentage points since last quarter.

"Investors are battling a myriad of headwinds—between pockets of economic weakness, ongoing trade disputes, slowing global growth, a low interest rate environment, and, now, impeachment inquiries in Washington," said Mike Loewengart, VP of Investment Strategy at E*TRADE Financial. "While these issues can cloud the outlook for investors, it's times like these that a diversified portfolio can shine. Investors with holdings across fixed income and equities, various asset classes, and market caps can better weather periods of volatility."

The survey explored investor views on sector opportunities for the fourth quarter of 2019:

- **IT.** The tech sector has experienced some volatility lately amid ongoing trade negotiations, and investors showing interest in this traditionally overvalued sector (47%) may be hunting for bargains.
- **Health care.** Interest in health care ticked down five percentage points this quarter but remains a top choice among investors (43%). The sector is traditionally viewed as defensive—less affected by the ebbs and flows of the market.
- **Energy.** The energy sector continues to appeal to investors (41%), as supply disruptions have caused a bounce in crude.

E*TRADE aims to enhance the financial independence of traders and investors through a powerful digital offering and professional guidance. To learn more about E*TRADE's trading and investing platforms and tools, visit etrade.com.

For useful trading and investing insights from E*TRADE, follow the company on Twitter, [@ETRADE](https://twitter.com/ETRADE).

About the Survey

This wave of the survey was conducted from October 1 to October 10 of 2019 among an online US sample of 902 self-directed active investors who manage at least \$10,000 in an online brokerage account. The survey has a margin of error of ± 3.20 percent at the 95 percent confidence level. It was fielded and administered by Dynata. The panel is broken into thirds of active (trade more than once a week), swing (trade less than once a week but more than once a month), and passive (trade less than once a month). The panel is 60% male and 40% female, with an even distribution across online brokerages, geographic regions, and age bands.

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E*TRADE Financial Corporation engages Dynata to program, field, and tabulate the study. Dynata provides digital research data and has locations in the Americas, Europe, the Middle East and Asia-Pacific. For more information, please go to www.dynata.com.

Referenced Data

| <i>When it comes to the current market, are you?</i> | | | | |
|---|--------------|--------------|--------------|--------------|
| | Total | | | |
| | Q4'19 | Q3'19 | Q2'19 | Q1'19 |
| Bullish | 50% | 61% | 58% | 46% |
| Bearish | 50% | 39% | 42% | 54% |

| <i>Which of the following risks are you most concerned about when it comes to your portfolio? (Top 2)</i> | | |
|--|--------------|--------------|
| | Total | |
| | Q4'19 | Q3'19 |
| US trade tensions | 47% | 49% |
| Recession | 34% | 28% |
| Gridlock in Washington | 24% | 24% |
| Market volatility | 22% | 22% |
| Economic weakness abroad | 20% | 19% |
| Fed monetary policy | 16% | 19% |
| Flattening/inverted yield curve | 11% | 11% |
| Brexit | 8% | 8% |
| Other | 5% | 5% |
| Softening job market | 4% | 6% |
| Low inflation | 3% | 3% |
| None of these | 3% | 3% |

| <i>What stage of the business cycle do you believe we are currently in?</i> | | |
|--|--------------|--------------|
| | Total | |
| | Q4'19 | Q1'19 |
| Expansion | 19% | 24% |
| Peak | 52% | 36% |
| Recession | 24% | 27% |
| Trough | 4% | 8% |
| Recovery | 1% | 5% |

| <i>What grade would you give the current state of the US economy right now?</i> | |
|--|--------------|
| | Total |

| | Q4'19 | Q3'19 |
|------------------|--------------|--------------|
| Top 2 Box | 58% | 69% |
| A | 16% | 21% |
| B | 42% | 48% |
| C | 32% | 23% |
| D | 8% | 5% |
| F | 2% | 3% |

| <i>What industries do you think offer the most potential this quarter? (Top three)</i> | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|
| | Q4'19 | Q3'19 | Q2'19 | Q1'19 | Q4'18 |
| Information technology | 47% | 47% | 44% | 38% | 49% |
| Health care | 43% | 48% | 48% | 50% | 44% |
| Energy | 41% | 41% | 48% | 40% | 42% |
| Utilities | 32% | 26% | 27% | 29% | 23% |
| Financials | 31% | 35% | 34% | 36% | 40% |
| Consumer staples | 30% | 25% | 22% | 30% | 21% |
| Communication services | 21% | 23% | 22% | 23% | 21% |
| Consumer discretionary | 19% | 18% | 15% | 17% | 22% |
| Industrials | 18% | 21% | 22% | 20% | 21% |
| Materials | 17% | 16% | 19% | 16% | 17% |