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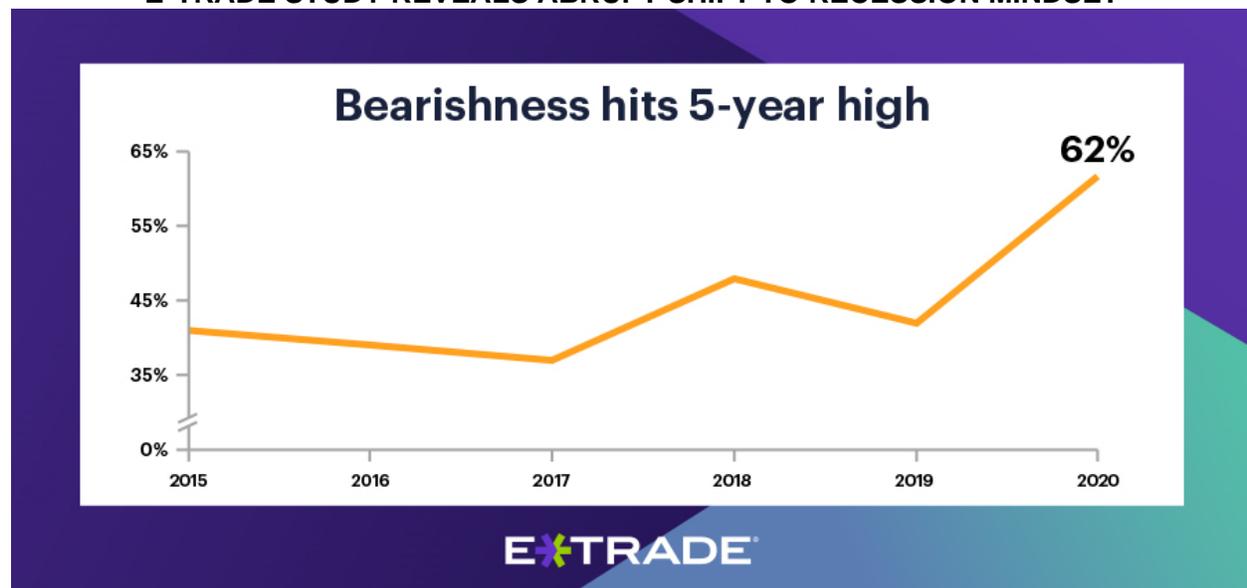
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E*TRADE STUDY REVEALS ABRUPT SHIFT TO RECESSION MINDSET



Investors become decidedly more pessimistic, believing we are in a bear market amid lagging economy and recessionary environment

ARLINGTON, Va., April 8, 2020 — 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 gloomy investor views:

- **Recession fears surge.** The majority of investors believe we are in a recessionary environment (74%), rising 59 percentage points since last quarter.
- **The bears come marching in.** Bearish sentiment rose 23 percentage points since last quarter to 62%—hitting a five-year high. In fact, three out of five investors (60%) expect the market to drop this quarter, increasing 35 percentage points since January.
- **More investors feel “Dazed and Confused” and that it is “Apocalypse Now”.** Investors chose “Dazed and Confused” (31%) as the #1 movie choice to describe their attitude toward the market, increasing 14 percentage points since last quarter. Further, “Apocalypse Now” placed second, rising 21 percentage points to 24%, an all-time high.
- **Trade concerns subside as recession worries jump.** Recession (54%), the coronavirus (44%), and volatility (27%) are the top three portfolio risks that concern investors—a significant change from last quarter, where investors said trade tensions (44%) were the top risk.

“Against this unprecedented backdrop, it’s critical not to lose sight of long-term financial goals—while the duration of the pandemic remains unknown, it will eventually pass,” said Mike Loewengart, Managing Director of Investment Strategy at E*TRADE Financial. “As the real effects of COVID-19 magnify and the media is awash with dramatic predictions, investors can get spooked and make rash decisions. History has shown that those who avoid trying to time the market tend to emerge in a stronger position. For investors who need income in the near term, or who may be closer to retirement, now is a good time to re-evaluate your risk tolerance and ensure your portfolio is aligned with your circumstance.”

The survey explored investor views on sector opportunities for the second quarter of 2020:

- **Health care.** Investors see the most potential in the health care sector, moving up 14 percentage points from last quarter to 58%. As the race to create COVID-19 vaccinations and treatments heats up, investors may see opportunity for growth in the sector. Health care investments can also serve as a defensive play in a portfolio amid mounting recession concerns.
- **Consumer staples.** Interest in consumer staples shot up 23 percentage points from last quarter to 42% amid pandemic concerns. One of the notable themes in recent weeks is the attractiveness of “stay-at-home” stocks—companies that make their money providing the things people need as they work, play, and go to school remotely—many of which fall into the consumer staples category.
- **IT.** Although tech saw a dip in interest this quarter, it remains one of the top three sectors (38%) where investors see opportunity. Given the historically low valuations of these typically high-priced names, investors may be looking for deals in tech companies with strong fundamentals.

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 April 1 to April 8 of 2020 among an online US sample of 937 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>What stage of the business cycle do you believe we are currently in?</i>		
	Total	
	Q2'20	Q1'20
Peak	13%	56%
Expansion	9%	27%
Recession	53%	13%
Trough	21%	2%
Recovery	4%	2%

<i>When it comes to the current market, are you?</i>					
	Total				
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
Bullish	38%	61%	50%	61%	58%
Bearish	62%	39%	50%	39%	42%

<i>Where do you predict the market will end this quarter?</i>		
	Q2'20	Q1'20
Drop (Net)	60%	25%
Drop - 20%	19%	1%
Drop - 15%	16%	1%
Drop - 10%	16%	7%
Drop - 5%	9%	16%
Stay where it is	9%	19%
Rise 5%	13%	37%
Rise 10%	9%	13%

Rise 15%	4%	4%
Rise 20%	5%	2%
Rise (Net)	31%	56%

<i>If you had to pick a movie title that best describes how you personally feel about the market this quarter, which would it be?</i>		
	Total	
	Q2'20	Q1'20
<i>Dazed and Confused</i>	31%	17%
<i>Apocalypse Now</i>	24%	3%
<i>Fear and Loathing in Las Vegas</i>	11%	5%
<i>Raging Bull</i>	7%	22%
<i>Pulp Fiction</i>	7%	8%
<i>Jackass</i>	7%	4%
<i>Easy Rider</i>	7%	22%
<i>Singin' in the Rain</i>	6%	19%

<i>Which of the following risks are you most concerned about when it comes to your portfolio? (Top 2)</i>		
	Total	
	Q2'20	Q1'20
Recession	54%	30%
Coronavirus and other pandemic concerns	44%	n/a
Market volatility	27%	23%
Economic weakness abroad	16%	20%
US trade tensions	12%	44%
Gridlock in Washington	12%	23%
Fed monetary policy	10%	16%
Softening job market	8%	5%
Flattening/inverted yield curve	7%	11%
Low inflation	3%	5%
Other	2%	8%
None of these	2%	4%

<i>What industries do you think offer the most potential this quarter? (Top three)</i>					
	Q2'20	Q1'20	Q4'19	Q3'19	Q2'19
Health care	58%	44%	43%	48%	48%
Consumer staples	42%	19%	30%	25%	22%
Information technology	38%	46%	47%	47%	44%
Utilities	28%	21%	32%	26%	27%

Energy	26%	45%	41%	41%	48%
Communication services	26%	20%	21%	23%	22%
Financials	21%	33%	31%	35%	34%
Real estate	18%	27%	-	-	-
Materials	18%	16%	17%	16%	19%
Industrials	14%	17%	18%	21%	22%
Consumer discretionary	11%	13%	19%	18%	15%