

FOR IMMEDIATE RELEASE

E*TRADE Media Relations

646-521-4418

mediainq@etrade.com

E*TRADE Investor Relations

646-521-4406

IR@etrade.com

E*TRADE BOLSTERS CORPORATE SERVICES CAPABILITIES THROUGH PURCHASE OF PIONEERING STUDENT LOAN BENEFIT PROVIDER GRADIFI

*Comprehensive suite of financial wellness solutions adds a powerful complement to E*TRADE Corporate Services' leading stock plan administration offering*

NEW YORK, December 9, 2019 – E*TRADE Financial Corporate Services, Inc. today announced the addition of financial wellness capabilities through the purchase of student loan benefit and financial wellness provider Gradifi.

Student loan debt is one of the most pervasive challenges facing the workforce today, weighing in at a staggering \$1.5 trillion in the third quarter of this year, up by \$20 billion since the second quarter.¹

Gradifi takes a holistic approach to these challenges, offering a suite of financial wellness solutions including employer-sponsored student loan paydown and 529 plan contribution solutions, access to student loan refinance options, loan counseling, educational resources, and digital financial planning tools.

“Tackling student debt is vital today if we hope to set employees up for long-term financial success,” said Scott Whatley, President of E*TRADE Corporate Services. “As an industry leader in stock plan administration we play a significant role in helping employers meet the financial needs of their participants, and innovative offerings like Gradifi help us deliver even more firepower to plan sponsors. Beyond Gradifi’s exceptional digital platforms and tools, we are also thrilled to welcome to the E*TRADE family an outstanding team of tech-minded professionals who share our spirit of disruption and laser focus on the customer.”

The deal meaningfully bolsters the E*TRADE Corporate Services offering to include financial wellness and student loan solutions as part of a comprehensive benefits platform. E*TRADE commands an unrivaled position in the stock plan administration space, earning #1 in Loyalty and Overall Satisfaction by stock plan administrators eight years running,² serving two million plan participants, and over 800 publicly traded companies including more than 20 percent of companies within the S&P 500 index.

“We could not be more excited to join such a storied organization, which enjoys a rich legacy of digital disruption and innovation,” said Kate Winget, Chief Revenue Officer of Gradifi. “The prospect of leveraging the diverse resources of E*TRADE to more completely meet the needs of our clients and their employee base is thrilling to say the least, and we look forward to working hand in hand as one team to raise the bar even further for the benefits industry.”

First Republic Bank, Gradifi’s previous parent company, will continue to be a lender in Gradifi’s student loan refinance marketplace and offer Gradifi’s popular student loan repayment and college savings benefits to its employees. First Republic remains committed to initiatives that address the student loan debt crisis and promote employee financial wellness.

The transaction closed on December 9, 2019 at a base purchase price of approximately \$30 million in cash. E*TRADE Financial was advised by Centerview Partners LLC and Skadden, Arps, Slate, Meagher & Flom. First Republic Bank was advised by Broadhaven Capital Partners and Arnold & Porter Kaye Scholer LLP.

For news and thought leadership from E*TRADE Corporate Services, follow on [LinkedIn](#).

Please read the important disclosures below.

1. Center for Microeconomic Data, Federal Reserve Bank of New York Research and Statistics Group. “Quarterly Report on Household Debt and Credit,” Q3 2019. https://www.newyorkfed.org/medialibrary/interactives/householdcredit/data/pdf/hhdc_2019q3.pdf
2. As of June 14, 2019, Group Five Stock Plan Administration Benchmark Study and Financial Reporting Benchmark Study rated Equity Edge Online® highest in Loyalty and Overall Satisfaction for the eighth consecutive year (2012–2019) among all plan sponsors who use a commercial system to manage the recordkeeping of their stock plans in-house. Group Five, LLC is not affiliated with E*TRADE Financial Corporate Services, Inc. or the E*TRADE Financial family of companies.

About Gradifi

Gradifi is leading the way in providing innovative financial benefits that empower employers to help brighten the financial futures of their employees with contributions to their student loans, options to refinance their loans, and help save for their children’s educational futures. Comprising more than 50 employees, the business was founded in 2014, serves over 800 clients, and is headquartered in Boston, MA.

About E*TRADE Financial and Important Notices

The E*TRADE Financial family of companies provides financial services, including trading, investing, banking, and managing employee stock and student loan benefit plans. Employee stock and student loan benefit plan solutions are offered by E*TRADE Financial Corporate

Services, Inc. Securities products and services are offered by E*TRADE Securities LLC (Member FINRA/SIPC). Commodity futures and options on futures products and services are offered by E*TRADE Futures LLC (Member NFA). Managed Account Solutions are offered through E*TRADE Capital Management, LLC, a Registered Investment Adviser. Bank products and services are offered by E*TRADE Bank, and RIA custody solutions are offered by E*TRADE Savings Bank, both of which are federal savings banks (Members FDIC). More information is available at www.etrade.com.

In connection with stock plan solutions offered by E*TRADE Financial Corporate Services, Inc., E*TRADE Securities LLC provides brokerage services to stock plan participants.

E*TRADE Financial, E*TRADE, Gradifi, and the E*TRADE and Gradifi logos are trademarks or registered trademarks of E*TRADE Financial Corporation.

© 2019 E*TRADE Financial Corporation. All rights reserved.

Forward-Looking Statements

The statements contained in this press release that are forward looking, including statements regarding the acquisition of Gradifi and its benefits to E*TRADE Financial Corporate Services and its clients, are “forward-looking statements” within the meaning of the federal securities laws, and are subject to a number of uncertainties and risks. Actual results may differ materially from those indicated in the forward-looking statements. The uncertainties and risks include, but are not limited to: risks related to the acquisition of Gradifi, including unanticipated restructuring costs that may be incurred, undisclosed liabilities that may be assumed, integration plans (including retention of key employees) that may not be implemented as anticipated and other financial benefits that may not be realized; and the other factors set forth in our annual and quarterly reports on Form 10-K, as amended, and Form 10-Q previously filed 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, except as required by law. ETFC-G