

FOR IMMEDIATE RELEASE

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E*TRADE FINANCIAL CORPORATION ANNOUNCES PRICING OF SENIOR NOTES

Proceeds to fund the redemption of outstanding trust preferred securities

NEW YORK, June 11, 2018 – E*TRADE Financial Corporation (NASDAQ: ETFC) today announced the pricing of \$420 million in principal amount of 4.50% senior notes due 2028. E*TRADE expects to close the sale of these senior notes on June 20, 2018 subject to the satisfaction of customary closing conditions.

These senior notes will pay interest semi-annually and will be E*TRADE's general unsecured senior obligations. The senior notes will effectively rank junior to the Company's secured indebtedness, if any, to the extent of the collateral securing such indebtedness and structurally subordinated to all liabilities of the Company's subsidiaries. The senior notes will not be guaranteed by E*TRADE's subsidiaries.

E*TRADE intends to use the net proceeds from this offering for the redemption of trust preferred securities ("TRUPs") issued by ETB Holdings, Inc., the parent of E*TRADE Bank. As of March 31, 2018, there were approximately \$414 million of TRUPs outstanding. This press release does not constitute a notice of redemption with respect to any outstanding TRUPs.

BofA Merrill Lynch, Credit Suisse, J.P. Morgan and Wells Fargo Securities are serving as joint book-running managers for the offering.

E*TRADE has filed an effective registration statement (including a preliminary prospectus supplement and accompanying base prospectus) with the Securities and Exchange Commission (SEC) for the offering to which this communication relates. Before you invest, you should read the effective registration statement (including the preliminary prospectus supplement and accompanying base prospectus) for more complete information about E*TRADE and this offering. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, copies may be obtained from Merrill Lynch, Pierce, Fenner & Smith Incorporated at NC1-004-03-43, 200 North College Street, 3rd Floor, Charlotte, North Carolina 28255, Attention: Prospectus Department, by telephone at 1-800-294-1322 or by emailing dg.prospectus_requests@baml.com; Credit Suisse Securities (USA) LLC at One Madison Avenue, New York, New York, 10010, Attention: Prospectus Department, by telephone at 1-800-221-1037 or by emailing newyork.prospectus@credit-suisse.com; J.P. Morgan Securities LLC at 383 Madison Avenue, New York, New York, 10179, Attention: Investment Grade Syndicate Desk, 3rd Floor, by telephone at 1-212-834-4533; Wells Fargo Securities, LLC 608 2nd Avenue South, Suite 1000, Minneapolis, Minnesota 55402, Attention: WFS Customer Service, by telephone at 1-800-645-3751 or by emailing wfscustomerservice@wellsfargo.com.

This press release does not constitute an offer to sell or a solicitation of an offer to buy any of the senior notes, TRUPs or any other securities, nor will there be any sale of the senior notes or any other securities in any state or jurisdiction in which such an offer, solicitation or sale is not permitted.

About E*TRADE Financial

E*TRADE Financial and its subsidiaries provide financial services including online brokerage and related banking products and services to retail investors. 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).

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Important Notices

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Forward looking statements

The statements contained in this news release that are forward looking, including statements regarding the completion, timing, and size of the proposed public offering and the related planned redemption are “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995 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, uncertainties and risks related to market volatility and other market conditions, the satisfaction of customary closing conditions related to the public offering. There can be no assurance that the public offering will be completed on the anticipated terms, or at all or that the redemption will be effected. Further information about these risks and uncertainties can be found in the preliminary prospectus supplement as well as 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.

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