



BANK

**Discover Bank**  
(a Delaware-chartered bank)

August 5, 2013

**\$500,000,000**  
**4.200% NOTES DUE 2023 (the "Notes")**

**FINAL TERM SHEET**

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Issuer:	Discover Bank
Expected Issue Ratings*:	Moody's: Baa3 (Stable) / Standard & Poor's: BBB (Stable) / Fitch: BBB (Stable)
Type of Security:	Unsecured, unsubordinated notes
Issuing Format:	Exempt from registration under Section 3(a)(2) of the Securities Act
Aggregate Principal Amount:	\$500,000,000
Trade Date:	August 5, 2013
Settlement Date:	August 8, 2013 (T+3)
Final Maturity:	August 8, 2023
Benchmark Treasury:	1.750% UST due May 15, 2023
Benchmark Treasury Spot and Yield:	92-10; 2.648%
Spread to Benchmark Treasury:	T + 160 bps
Yield to Maturity:	4.248%
Coupon:	4.200%
Issue Price to Investors:	99.612% of face amount
Interest Payment Dates:	Semi-annually on February 8 and August 8, commencing on February 8, 2014
Record Dates:	The close of business on February 1 or August 1, as the case may be (whether or not a business day), next preceding each Interest Payment Date
Day Count Convention:	30/360, unadjusted
Redemption Provision:	The Notes are not subject to redemption at the option of the Bank or repayment at the option of the holders prior to maturity
Denominations:	\$250,000 denominations and integral multiples of \$1,000 in excess thereof
Use of Proceeds:	The Issuer expects to use the net proceeds from the sale of the Notes for general corporate purposes
CUSIP/ISIN:	25466AAD3/US25466AAD37
Joint Book-Running Managers:	Barclays Capital Inc. J.P. Morgan Securities LLC Merrill Lynch, Pierce, Fenner & Smith Incorporated
Co-Managers:	Credit Suisse Securities (USA) LLC Goldman, Sachs & Co.
Junior Co-Manager:	Mischler Financial Group, Inc.

\* Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

The Issuer has prepared a preliminary offering circular dated August 5, 2013 (the "Preliminary Offering Circular") to which this communication relates. Before you invest, you should read the Preliminary Offering Circular and the Final Offering Circular (when available), including the documents incorporated by reference therein, for more information concerning the Issuer and the Notes. The Issuer or the Representatives will arrange to send you a copy of the Preliminary Offering Circular and the Final Offering Circular (when available) if you request it by calling (i) Barclays Capital Inc. toll-free at 1-888-603-5847, (ii) J.P. Morgan Securities LLC collect at 1-212-834-4533 or (iii) Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322.

The Notes have not been, and are not required to be, registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption provided by Section 3(a)(2) of the Securities Act. The Notes are being offered and sold only to institutional investors that are "accredited investors" as defined in Rule 501 under the Securities Act.

The Notes are not deposits of the Issuer and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency and are subject to investment risk, including possible loss of principal. The Notes are issued by the Issuer and are not obligations of, or guaranteed by, the Issuer's parent company, Discover Financial Services, or any other affiliate of the Issuer.