



Discover Bank
(a Delaware-chartered bank)

April 12, 2010

\$500,000,000
7.00% SUBORDINATED NOTES DUE 2020 (the "Notes")

FINAL TERMS AND CONDITIONS

Issuer:	Discover Bank
Expected Issue Ratings:	Moody's Investors Service: Ba1 (negative outlook) / Standard & Poor's: BBB- (stable) / Fitch: BBB- (negative outlook)
Type of Security:	Subordinated notes
Aggregate Principal Amount:	\$500,000,000
Trade Date:	April 12, 2010
Settlement Date:	April 15, 2010 (T+3)
Final Maturity:	April 15, 2020
Benchmark Treasury:	3.625% due February 15, 2020
Benchmark Treasury Spot and Yield:	98-06; 3.848%
Spread to Benchmark:	3.25% (T + 325 bps)
Yield to Investors:	7.098%
Coupon:	7.00%
Issue Price to Investors:	99.307% of face amount
Interest Payment Dates:	Semi-annually on April 15 and October 15, commencing on October 15, 2010
Record Dates:	The close of business on April 1 or October 1, as the case may be (whether or not a business day), next preceding each Interest Payment Date
Day Count Convention:	30/360
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 to increase its Tier 2 capital and for general corporate purposes
CUSIP/ISIN:	25466AAB7 / US25466AAB70
Joint Book-Running Managers:	Barclays Capital Inc. Goldman, Sachs & Co. J.P. Morgan Securities Inc.

Co-Managers:

Banc of America Securities LLC
Citigroup Global Markets Inc.
Credit Suisse Securities (USA) LLC
Deutsche Bank Securities Inc.
RBC Capital Markets Corporation
Wells Fargo Securities, LLC

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 April 12, 2010 (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) Goldman, Sachs & Co. toll-free at 1-866-471-2526 or (iii) J.P. Morgan Securities Inc. collect at 1-212-834-4533.

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.