



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

November 10, 2009

**\$700,000,000**  
**8.70% SUBORDINATED NOTES DUE 2019 (the "Notes")**  
**FINAL TERMS AND CONDITIONS**

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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:	\$700,000,000
Trade Date:	November 10, 2009
Settlement Date:	November 16, 2009 (T+3)
Final Maturity:	November 18, 2019
Benchmark Treasury:	3.625% due August 15, 2019
Treasury Yield:	3.489%
Spread to Benchmark:	5.25% (T + 525 bps)
Yield to Investors:	8.739%
Coupon:	8.70%
Issue Price to Investors:	99.742%
Interest Payment Dates:	Semi-annually on November 18 and May 18, commencing on May 18, 2010
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 for general corporate purposes
CUSIP/ISIN:	25466AAA9 / US25466AAA97
Book-Running Manager:	Goldman, Sachs & Co.
Joint Lead Managers:	Barclays Capital Inc. Citigroup Global Markets Inc.
Co-Managers:	Banc of America Securities LLC Deutsche Bank Securities Inc. J.P. Morgan Securities Inc. RBS Securities Inc. UBS Securities LLC 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 November 9, 2009 (the "Preliminary Offering Circular") to which this communication relates. Before you invest, you should read the Preliminary Offering Circular, including the documents incorporated by reference therein, for more information concerning the Issuer and the Notes. The Issuer or Goldman, Sachs & Co. will arrange to send you a copy of the Preliminary Offering Circular if you request it by calling toll-free at 1-866-471-2526.

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.