2014 Annual Shareholders' Meeting

May 7, 2014
The following slides are part of a presentation by Discover Financial Services (the "Company") and are intended to be viewed as part of that presentation. No representation is made that the information in these slides is complete.

Company financial data presented herein is based on a calendar year. As previously reported, the Company changed its fiscal year end from November 30 to December 31 of each year, effective beginning with the 2013 fiscal year. For historical calendar year financial data, see the Company's Current Report on Form 8-K dated March 5, 2013 and the Company’s Annual Report on Form 10-K for the year ended December 31, 2013.

The information provided herein includes certain non-GAAP financial measures. The reconciliations of such measures to the comparable GAAP figures are included at the end of this presentation, which is available on the Company's website at www.discoverfinancial.com.

The presentation contains forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management’s estimates, projections, expectations or beliefs at that time, and which are subject to risks and uncertainties that may cause actual results to differ materially. For a discussion of certain risks and uncertainties that may affect the future results of the Company, please see "Special Note Regarding Forward-Looking Statements," "Risk Factors," "Business – Competition," "Business – Supervision and Regulation" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company’s Annual Report on Form 10-K for the year ended December 31, 2013 which is available on the Company’s website and the SEC’s website. The Company does not undertake to update or revise forward-looking statements as more information becomes available.

We own or have rights to use the trademarks, trade names and service marks that we use in conjunction with the operation of our business, including, but not limited to: Discover®, PULSE®, Cashback Bonus®, Discover Cashback CheckingSM, Discover it®, Discover® Network and Diners Club International®. All other trademarks, trade names and service marks included in this presentation are the property of their respective owners.
Discover’s unique assets and capabilities

- Brand
- Rewards
- Flexible Payment Networks
- Customer Service
- Risk Management
- Loyal Customer Base
2013 results

Grow Discover card loans while maintaining leading credit performance
- 4% growth YOY in ending receivables
- 2.2% net charge-off rate for 2013

Expand direct consumer banking
- $1.1Bn student loan originations
- $2.5Bn personal loan originations
- $4Bn mortgage originations and launched home equity

Grow global network volume and acceptance
- Increased global acceptance locations by 18% YOY
- Processed $310 billion of volume

Optimize funding, cost structure and capital position
- New funding channels including checking and senior bank notes
- Increased dividend and repurchased 5% of outstanding shares
Direct banking is driving better efficiencies, faster loan growth and higher returns

<table>
<thead>
<tr>
<th>2009-2013 Average Efficiency Ratio&lt;sup&gt;(1)&lt;/sup&gt;</th>
<th>2009-2013 CAGR Total Loan Growth (%)</th>
<th>2009-2013 Average Return on Equity</th>
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</thead>
<tbody>
<tr>
<td>Discover</td>
<td>Large Banks&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>Discover</td>
</tr>
<tr>
<td>37%</td>
<td>66%</td>
<td>6%</td>
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<tr>
<td>Discover</td>
<td>Large Banks&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>3%</td>
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<tr>
<td>Discover&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>Large Banks&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>19%</td>
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<td>5%</td>
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Source: SNL, regulatory reports; Discover

Note(s):
1. Non-interest expense divided by total revenue (net interest income and noninterest income)
2. Bank holding companies participating in the 2014 Comprehensive Capital Analysis and Review (CCAR); excludes Ally Financial and Santander Holdings USA due to limited information; excludes Discover
3. 2009 adjusted to exclude $1.4 billion ($0.9 billion after taxes) Visa and MasterCard settlement
Positioning the direct bank in products that drive profitable growth

Discover Card (1986)

Personal Loans (2007)

Direct-to-Consumer Deposits (2007)
- Online savings (2009)
- Acquired $1Bn of deposits (2010)
- Launched Cashback Checking (2013)

Student Loans (2007)
- The Student Loan Corp. and private student loan acquisitions (2010-2011)
- Launched health professions, law and MBA loans (2012)

Home Loans (2012)
- Acquired assets from Tree.com (2012)
- Launched home equity installment loans (2013)

Note(s)
1. 2007 represented significant acceleration in personal loans and direct-to-consumer deposits
Growing network acceptance and profits

Discover Network (1986)

Acquired PULSE (2005)

Hybrid Acquiring Model (2005+)

Network Partnerships (2005+)

Acquired Diners Club International (2008)

Emerging Payment Partnerships (2012+)

Note(s)
1. 2013 pre-tax profit excludes $55 million of one-time Diners charges
THE DISCOVER® WAY

VISION
To be the leading direct bank and payments partner

MISSION
To help people spend smarter, manage debt better and save more so they can achieve a brighter financial future

KEY PRIORITIES
- Grow Discover® card loans while maintaining leading credit performance
- Expand direct consumer banking products
- Grow global network volume and acceptance
- Optimize funding, cost structure and capital position
- Enhance operating model including effective controls, risk management and leadership development

VALUES
Doing the Right Thing  Innovation  Simplicity  Collaboration  Openness  Volunteerism  Enthusiasm  Respect