



William Blair Growth Stock Conference

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President & Chief Operating Officer
June 10, 2014

Notice

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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.

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Discover's Strategic Objective: Be the leading direct bank and payments partner



Positioning the direct bank in products that drive profitable growth

Discover Card (1986)

Personal Loans (2007)⁽¹⁾

Direct-to-Consumer Deposits (2007)⁽¹⁾

- 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)

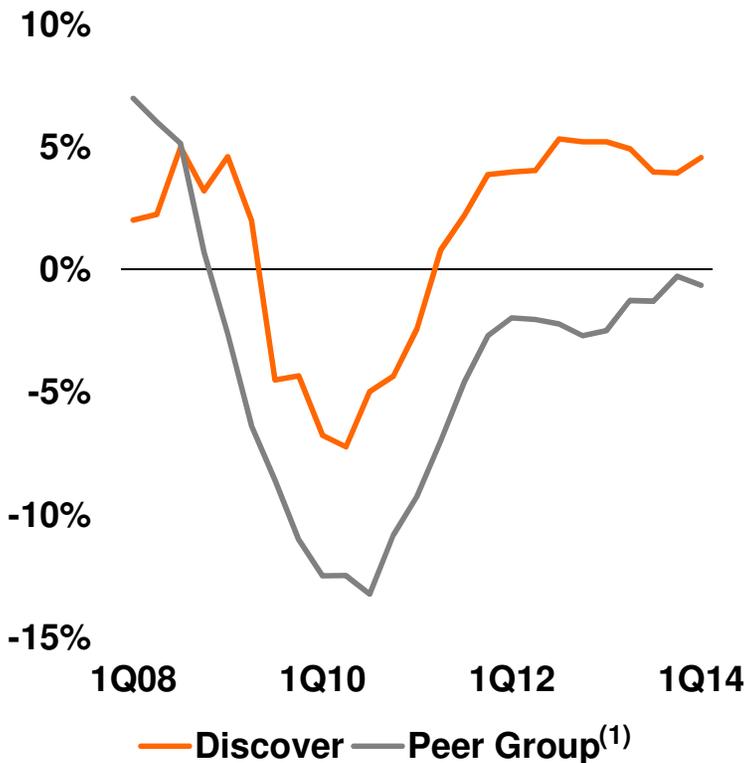
- Acquired assets from Tree.com (2012)
- Launched home equity installment loans (2013)

Note(s)

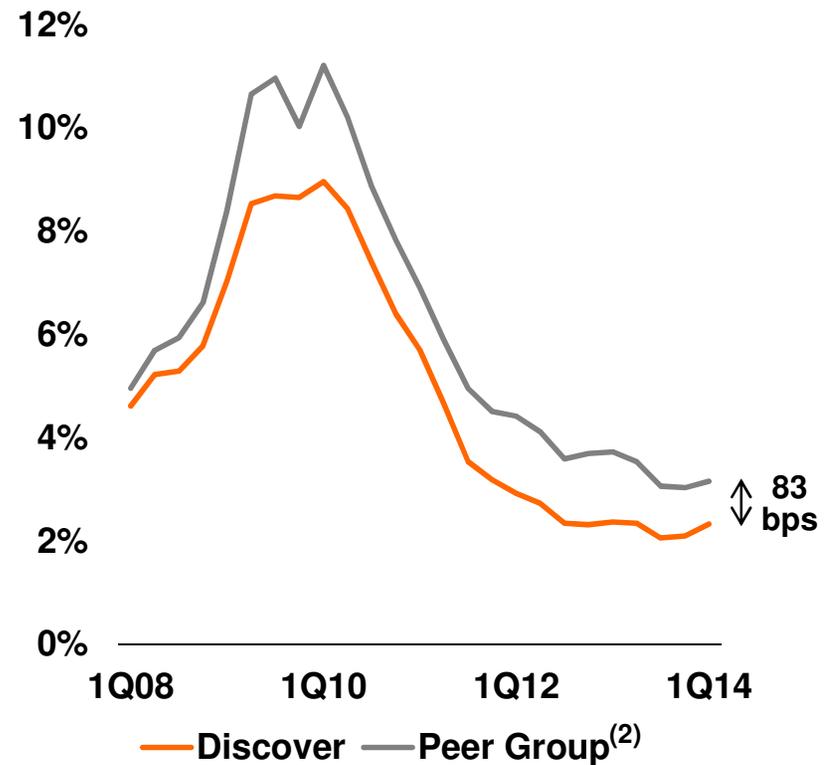
1. 2007 represented acceleration in personal loans and direct-to-consumer deposits

Outperforming peers in card loan growth and credit performance

Card Loan Growth (%YOY)



Card Net Charge-Off Rate (%)



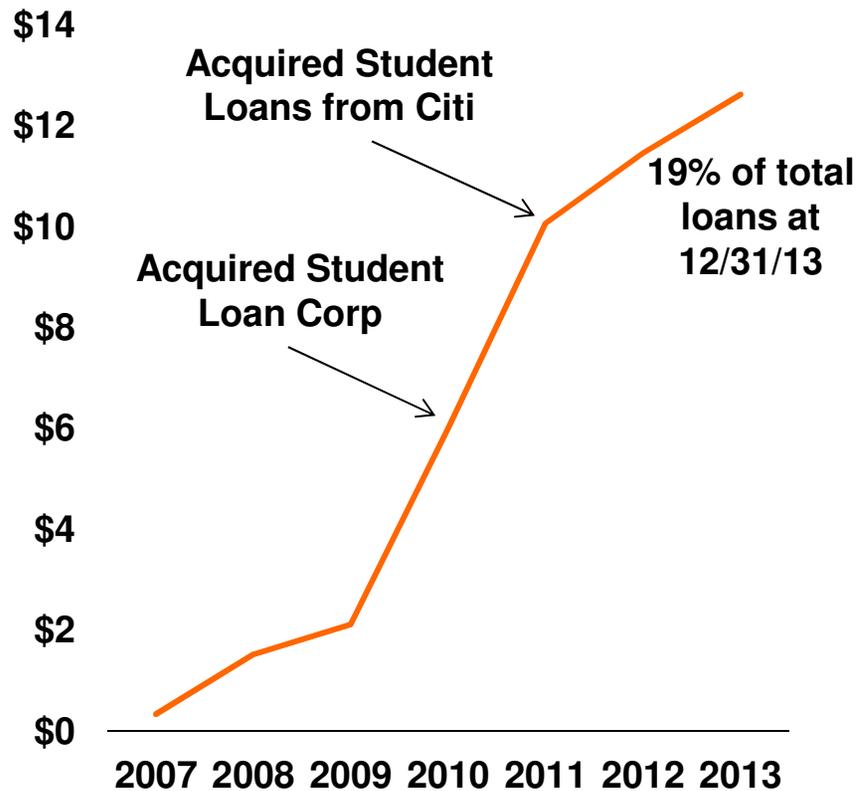
Source Public company data

Note(s)

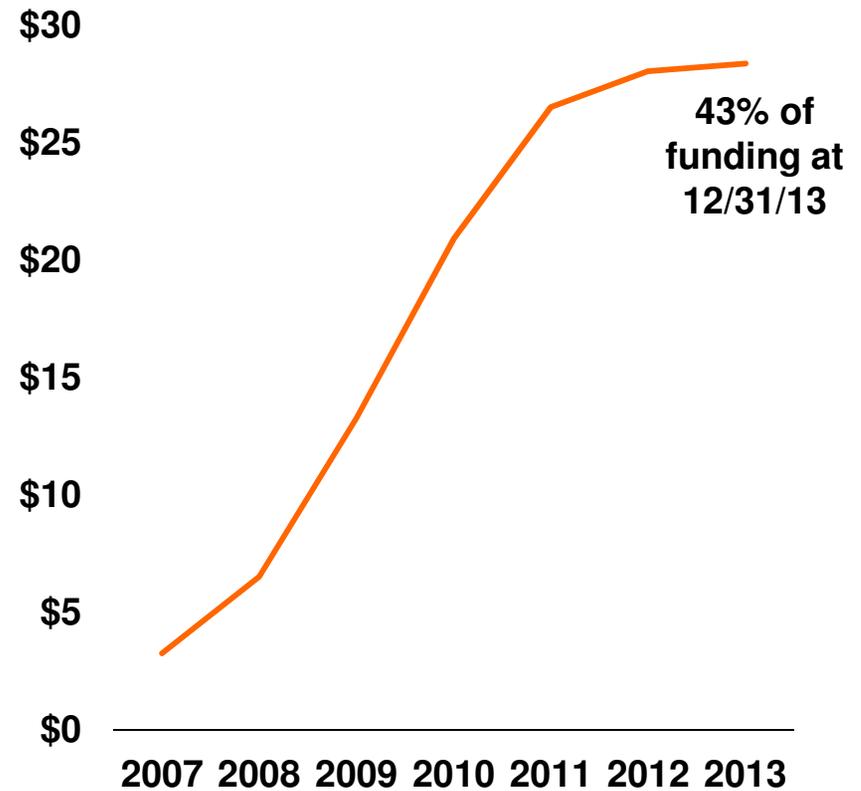
1. Includes weighted average card loan growth for American Express (U.S. Card), Bank of America (U.S. Card), Capital One (U.S. Card excl. installment loans and HSBC for 2Q12-1Q13; 2Q13 includes held for sale Best Buy portfolio; 3Q13-4Q13 based on management commentary), Citi (Citi-branded Cards N.A.), JPMorgan Chase (Card Services) and Wells Fargo (Consumer Credit Card 1Q12-4Q13); periods prior to 3Q08 adjusted to include estimated Washington Mutual receivables
2. Weighted average rate; includes U.S. card net charge-off rates for American Express (U.S. Card), Bank of America (U.S. Card), Capital One (U.S. Card), Citi (Citi-branded Cards N.A.), JPMorgan Chase (Card Services) and Wells Fargo (1Q11-3Q13)

Growing non-card loan balances and funding channels

Non-Card Loans (\$Bn)⁽¹⁾



Direct-to-Consumer Deposits (\$Bn)⁽²⁾



Note(s)

1. Excludes federal student loans, majority of which were sold in 2010 with a subsequent sale of the remaining portfolio in 2012
2. Includes affinity deposits

Growing network acceptance and profits

**Discover Network
(1986)**

**Acquired PULSE
(2005)**

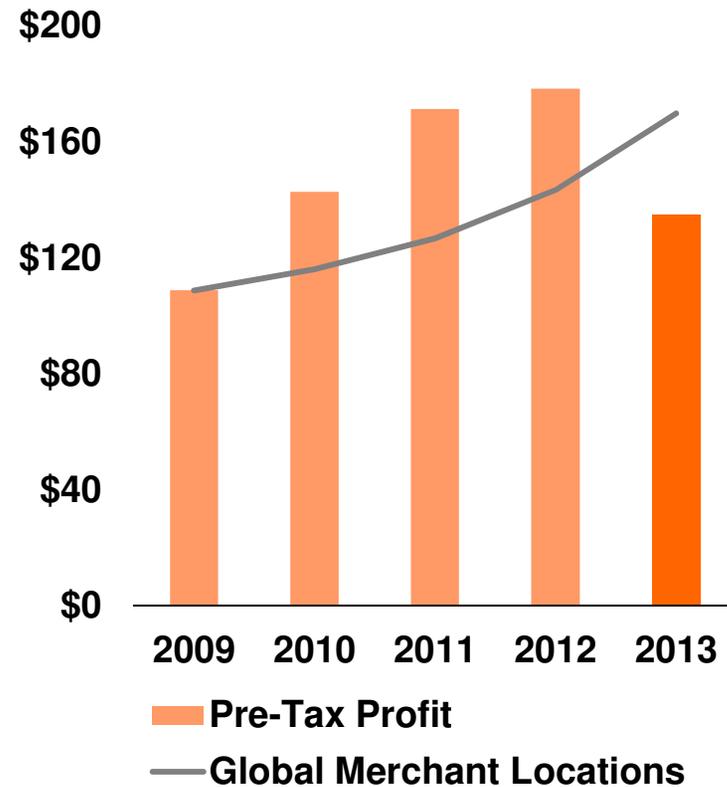
**Hybrid Acquiring Model
(2005+)**

**Network Partnerships
(2005+)**

**Acquired Diners Club International
(2008)**

**Emerging Payment Partnerships
(2012+)**

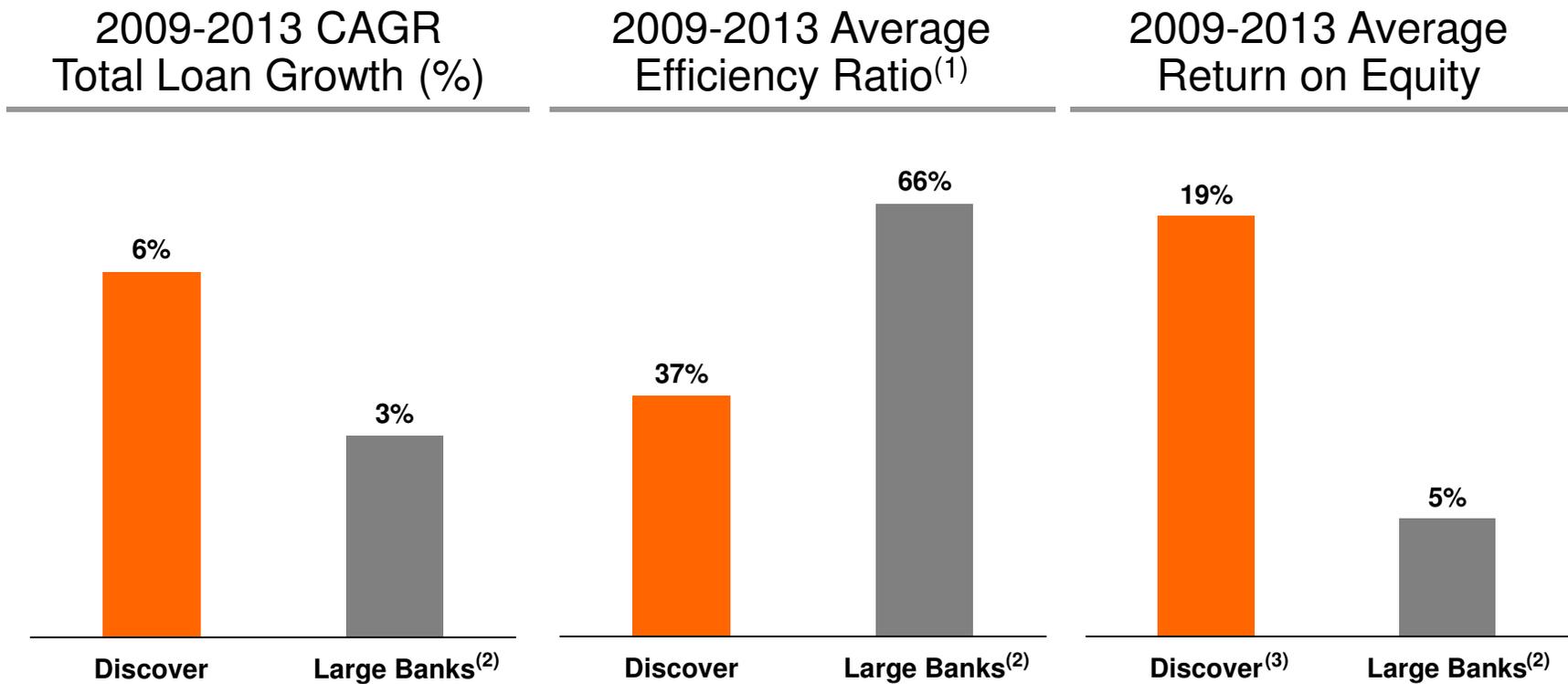
Payment Services
PBT and Acceptance (MM)⁽¹⁾



Note(s)

1. 2013 pre-tax profit excludes \$55 million of one-time Diners charges

Discover is driving faster loan growth, better efficiencies and higher returns



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

2014 Priorities and initiatives

- Grow Discover card loan share while maintaining leading credit performance
 - Discover it enhancements
 - Mobile / e-commerce / rewards / service innovation
- Expand direct consumer banking products
 - Grow student, personal and home equity businesses
 - Broad market direct checking (leverage new core banking platform)
- Grow global network volume and acceptance
 - Continue implementing existing partnerships (Ariba, PayPal, etc.)
 - Expand other non-traditional partners
- Optimize funding, cost structure and capital position
- Enhance operating model, including risk management and leadership development
 - Continue to enhance compliance, CCAR and other processes



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