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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.

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 Strategic Objective:
Be the leading direct bank and payments partner

- Brand
- Customer Service
- Risk Management
- Loyal Customer Base
- Flexible Payment Networks
- Rewards
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 acceleration in personal loans and direct-to-consumer deposits
Outperforming peers in card loan growth and credit performance

Card Loan Growth (%YOY)

-15% -10% -5% 0% 5% 10%

1Q08 1Q10 1Q12 1Q14

Discover — Peer Group

Card Net Charge-Off Rate (%)

0% 2% 4% 6% 8% 10% 12%

1Q08 1Q10 1Q12 1Q14

Discover — Peer Group

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)**

**Direct-to-Consumer Deposits ($Bn)**

- **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+)

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

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<thead>
<tr>
<th>Source</th>
<th>SNL, regulatory reports; Discover</th>
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<tbody>
<tr>
<td>Note(s)</td>
<td>Non-interest expense divided by total revenue (net interest income and noninterest income)</td>
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<th>2009-2013 CAGR</th>
<th>2009-2013 Average Efficiency Ratio(1)</th>
<th>2009-2013 Average Return on Equity</th>
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<tbody>
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<td>Total Loan Growth (%)</td>
<td>Discover</td>
<td>Large Banks(2)</td>
</tr>
<tr>
<td>6%</td>
<td>3%</td>
<td>37%</td>
</tr>
</tbody>
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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)
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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
William Blair Growth Stock Conference

Roger Hochschild
President & Chief Operating Officer
June 10, 2014