



DISCOVER[®]

2016 Annual Meeting of Shareholders

May 12, 2016

Notice

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.

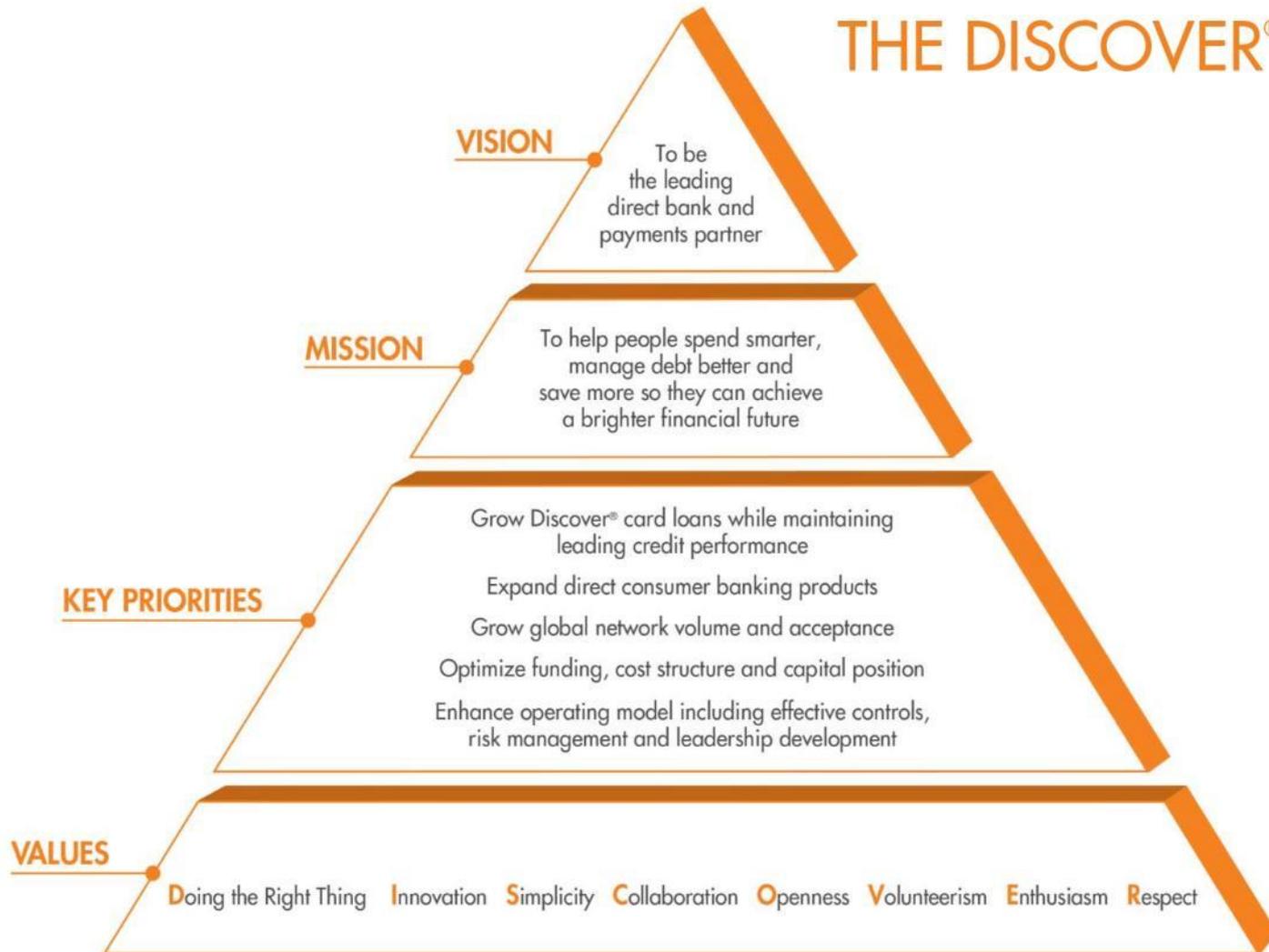
Company financial data presented herein is based on a calendar year. For historical calendar year financial data, see the Company's Annual Report on Form 10-K for the year ended December 31, 2015.

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, 2015, 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 Checking®, Discover it®, Freeze ItSM, 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.



THE DISCOVER® WAY



2015 Accomplishments

- Generated solid loan growth with strong credit performance
 - 3.5% growth YOY in ending total receivables
 - 2.01% total net charge-off rate for 2015
- Delivered record level of originations in direct consumer banking products
 - \$1.3Bn student loan originations and outstanding commitments
 - \$3.0Bn personal loan originations
- Increased network acceptance and partners
- Strong returns and significant capital deployment
 - Full year return on equity of 21%
 - Returned \$2.1Bn in capital with a 94% payout ratio, repurchased 6% of our stock



Additional Accomplishments/Developments

- Launched Discover it Miles
- Freeze It
- Double Cashback Bonus
- Apple Pay™
- Good Grades Reward Program
- “Pay With Cash Back” functionality
- Free FICO® Credit Score “trending”
- EMV “chip” cards
- Discover it Secured Card in 2016
- Exited mortgage origination business



Strong Customer Satisfaction and Brand Loyalty



“Highest in Customer Satisfaction with Credit Card Companies”¹



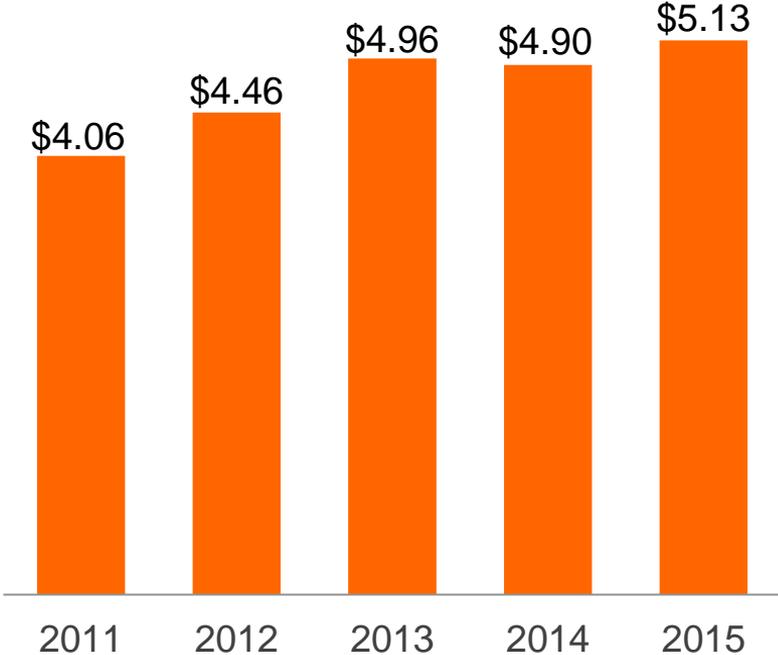
(1) Discover received the highest numerical score among credit card issuers in a tie in the proprietary J.D. Power 2015 Credit Card Satisfaction StudySM. Study based on responses from 20,730 consumers measuring 10 card issuers and measures opinions of consumers about the issuer of their primary credit card. Proprietary study results are based on experiences and perceptions of consumers surveyed in September 2014-May 2015. Your experiences may vary. Visit jdpower.com.

Additional Awards and Recognition

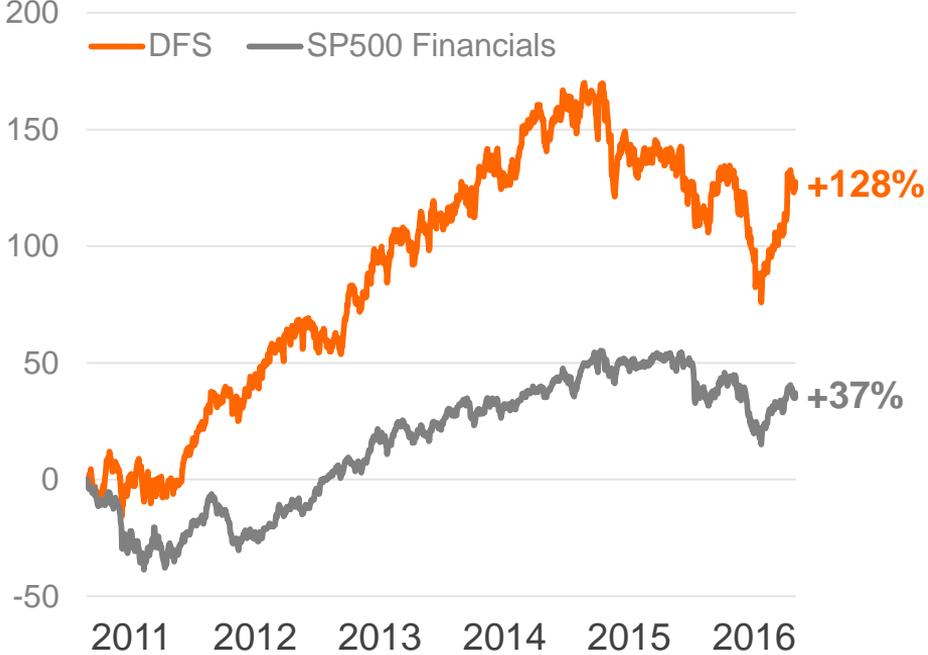


Earnings Growth and Stock Price Performance

Diluted EPS of Common Stock



DFS Stock Price vs SP500 Diversified Financials (Indexed)



Source SNL, as of 5/10/16



Vision: to be the leading direct bank & payments partner

2016 Key Focus Areas



**Grow Loans
and Revenue**



**Operating
Expense
Leverage**



**Leverage
Payments
Assets**



**Enhance
Controls & Risk
Management**



**Optimize
Capital
Deployment**



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