



**TERM SHEET**  
**Dated February 6, 2017**

\$1,000,000,000  
4.100% Senior Notes due 2027

*This term sheet relates only to the securities described below and supplements and should be read together with the preliminary prospectus supplement, dated February 6, 2017 (including the documents incorporated by reference therein), relating to these securities.*

Issuer:	Discover Financial Services
Security:	4.100% Senior Notes due 2027
Ratings (Moody's / S&P / Fitch):*	Ba1 (stable) / BBB- (stable) / BBB+ (stable)
Currency:	USD
Size:	\$1,000,000,000
Maturity:	February 9, 2027
Coupon:	4.100%
Payment Frequency:	Semi-Annually
Day Count Convention:	30/360
Benchmark Treasury:	UST 2.000% due November 15, 2026
Benchmark Treasury Price and Yield:	96-14; 2.411%
Spread to Benchmark Treasury:	T + 170 bps
Yield to Maturity:	4.111%
Price to Public:	99.911% of face amount
Interest Payment Dates:	February 9 and August 9 of each year, commencing August 9, 2017
Trade Date:	February 6, 2017
Settlement Date:	February 9, 2017 (T+3)
Denominations:	\$2,000 x \$1,000
CUSIP/ISIN:	254709 AM0/US254709AM01
Optional Redemption:	Redeemable by the issuer at any time on or after November 9, 2026 (three months prior to the maturity date) at a redemption price equal to 100% of the principal amount, plus accrued and unpaid interest, as described in the preliminary prospectus supplement

Joint Book-Running Managers: Barclays Capital Inc.  
Citigroup Global Markets Inc.  
Deutsche Bank Securities Inc.  
Merrill Lynch, Pierce, Fenner & Smith  
Incorporated

Senior Co-Managers: MUFG Securities Americas Inc.  
RBC Capital Markets, LLC

Junior Co-Manager: The Williams Capital Group, L.P.

\*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.

**Discover Financial Services has filed a registration statement (including a prospectus dated as of June 26, 2015) and a preliminary prospectus supplement dated as of February 6, 2017 with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement, the preliminary prospectus supplement and other documents Discover Financial Services has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at [www.sec.gov](http://www.sec.gov). Alternatively, copies of the prospectus and the preliminary prospectus supplement may be obtained from (i) Barclays Capital Inc. by calling toll-free at 1-888-603-5847 or by emailing [Barclaysprospectus@broadridge.com](mailto:Barclaysprospectus@broadridge.com); (ii) Citigroup Global Markets Inc. by calling toll-free at 1-800-831-9146; (iii) Deutsche Bank Securities Inc. by calling toll-free at 1-800-503-4611 or by emailing [prospectus.cpdg@db.com](mailto:prospectus.cpdg@db.com); and (iv) Merrill Lynch, Pierce, Fenner & Smith Incorporated by calling toll-free at 1-800-294-1322.**