GAAP Basis (unaudited dollars in thousands except per share statistics)

$(unaudited, dollars \ in \ thousands, except \ per \ share \ statistics)$											
	Nov 30, 2007	Aug 31, 2007	Quarter Ended May 31, 2007	Feb 28, 2007	Nov 30, 2006	Nov 30, 20 vs Nov 30, 2		2007 Year Er	1ded	2007 vs 20)6
-	107 00, 2007	114g 01, 2007	114 01, 2007	100 20, 2007	1101 00, 2000	101107 00,1			2000	2007 15 20	
Earnings Summary											
Interest Income	\$748,889	\$755,610	\$703,365	\$680,305	\$622,166	\$126,723	20%	\$2,888,169	\$2,458,526	\$429,643	17%
Interest Expense	400,734	361,469	336,253	283,959	243,518	157,216	65%	1,382,415	940,040	442,375	47%
Net Interest Income	348,155	394,141	367,112	396,346	378,648	(30,493)	(8%)	1,505,754	1,518,486	(12,732)	(1%)
Other Income	1,003,251	845,498	871,693	825,677	828,263	174,988	21%	3,546,119	3,538,939	7,180	0%
Revenue Net of Interest Expense	1,351,406	1,239,639	1,238,805	1,222,023	1,206,911	144,495	12%	5,051,873	5,057,425	(5,552)	(0%)
Provision for Loan Losses	339,916	211,576	203,287	195,386	239,693	100,223	42%	950,165	755,637	194,528	26%
Employee Compensation and Benefits	226,494	227,904	234,373	233,318	234,625	(8,131)	(3%)	922,089	933,196	(11,107)	(1%)
Marketing and Business Development	163,916	163,015	140,930	142,344	197,601	(33,685)	(17%)	610,205	603,556	6,649	1%
Information Processing & Communications	98,926	99,065	96,622	93,452	102,936	(4,010)	(4%)	388,065	387,595	470	0%
Professional Fees	102,742	94,060	113,264	80,958	119,049	(16,307)	(14%)	391,024	367,769	23,255	6%
Premises and Equipment	21,761	22,611	24,350	22,809	23,886	(2,125)	(9%)	91,531	92,278	(747)	(1%)
Other Expense 1	485,656	92,194	93,453	82,295	103,580	382,076	NM	753,598	335,089	418,509	125%
Total Other Expense	1,099,495	698,849	702,992	655,176	781,677	317,818	41%	3,156,512	2,719,483	437,029	16%
Income (Loss) Before Income Taxes ¹	(88,005)	329,214	332,526	371,461	185,541	(273,546)	(147%)	945,196	1,582,305	(637,109)	(40%)
Tax Expense	(3,938)	126,974	123,284	137,829	(981)	(2,957)	NM	384,149	505,689	(121,540)	(24%)
Net Income (Loss) ¹	(\$84,067)	\$202,240	\$209,242	\$233,632	\$186,522	(\$270,589)	(145%)	\$561,047	\$1,076,616	(\$515,569)	(48%)
Effective Tax Rate	4.5%	38.6%	37.1%	37.1%	(0.5%)			40.6%	32.0%		
Balance Sheet Statistics											
Loan Receivables	\$23,954,295	\$22,393,598	\$22,788,042	\$22,611,707	\$23,742,750	\$211,545	1%	\$23,954,295	\$23,742,750	\$211,545	1%
Total Assets	\$37,348,409	\$36,141,011	\$35,672,568	\$29,763,803	\$29,067,242	\$8,281,167	28%	\$37,348,409	\$29,067,242	\$8,281,167	28%
Total Equity	\$5,571,839	\$5,667,282	\$5,780,284	\$5,528,658	\$5,774,772	(\$202,933)	(4%)	\$5,571,839	\$5,774,772	(\$202,933)	(4%)
Total Tangible Equity	\$5,218,375	\$4,927,431	\$5,044,586	\$4,797,784	\$5,039,867	\$178,508	4%	\$5,218,375	\$5,039,867	\$178,508	4%
Tangible Equity/Total Owned Assets	14.0%	13.6%	14.1%	16.1%	17.3%			14.0%	17.3%		
ROE ¹	(6%)	14%	15%	16%	12%			10%	20%		
Allowance for Loan Loss (period end)	\$916,844	\$792,883	\$788,748	\$793,850	\$832,483	\$84,361	10%	\$916,844	\$832,483	\$84,361	10%
Change in Loan Loss Reserves	\$120,703	\$1,446	(\$6,098)	(\$38,471)	\$16,623	\$104,080	NM	\$77,580	(\$71,309)	\$148,889	NM
Interest-only Strip Receivable (period end)	\$400,313	\$353,289	\$372,796	\$331,621	\$337,752	\$62,561	19%	\$400,313	\$337,752	\$62,561	19%
Net Revaluation of Retained Interests	\$37,298	(\$24,043)	\$35,620	(\$3,997)	\$5,492	\$31,806	NM	\$44,878	\$159,442	(\$114,564)	(72%)
Per Share Statistics											
Basic EPS ¹	(\$0.18)	\$0.42	\$0.44	\$0.49	\$0.39	(\$0.57)	(146%)	\$1.18	\$2.26	(\$1.08)	(48%)
Diluted EPS ^{1,2}	(\$0.18)	\$0.42	\$0.44	\$0.49	\$0.39	(\$0.57)	(146%)	\$1.17	\$2.26	(\$1.09)	(48%)
			\$0.44	\$0.49	\$0.39	(\$0.57)	(146%)	\$1.17	\$2.20	(\$1.09)	(48%)
Stock Price (period end)	\$17.37	\$23.14						A11.44			
Book Value	\$11.66	\$11.87	100.007	177.007	477,236		0.07	\$11.66	177.007	452	0.04
Ending Shares Outstanding (000's)	477,688	477,328	477,236	477,236		452	0%	477,688	477,236		0%
Weighted Average Shares Outstanding (000's)	477,567	477,272	477,236	477,236	477,236	331	0%	477,328	477,236	92	0%
Weighted Average Shares Outstanding (fully diluted) (000's)	477,567	480,071	477,236	477,236	477,236	331	0%	478,879	477,236	1,643	0%
Total Credit Card Loans											
Credit Card Loans - Owned	\$23,703,101	\$22,301,589	\$22,698,457	\$22,520,861	\$23,646,901	\$56,200	0%	\$23,703,101	\$23,646,901	\$56,200	0%
Average Credit Card Loans - Owned	\$22,468,387	\$22,646,290	\$21,419,465	\$24,760,587	\$22,573,508	(\$105,121)	(0%)	\$22,814,043	\$21,656,295	\$1,157,748	5%
Interest Yield	10.43%	10.99%	10.50%	10.41%	10.27%	16 b		10.58%	10.38%	20 b	
Net Principal Charge-off Rate	3.90%	3.71%	3.91%	3.77%	3.95%	(5) b		3.82%	3.79%	3 b	
Delinquency Rate (over 30 days)	3.50%	3.07%	2.94%	3.15%	3.22%	28 b	ps	3.50%	3.22%	28 b	ps
Delinquency Rate (over 90 days)	1.63%	1.44%	1.43%	1.55%	1.53%	10 b	ps	1.63%	1.53%	10 b	ps
Transactions Processed on Networks (000's)											
Discover Network	378,438	384,335	361,893	361,700	358,152	20,286	6%	1,486,366	1,399,933	86,433	6%
PULSE Network	611,518	593,866	558,811	520,866	488,087	123,431	25%	2,285,061	1,856,477	428,584	23%
Total	989,956	978,201	920,704	882,566	846,239	143,717	17%	3,771,427	3,256,410	515,017	16%
Network Volume											
PULSE Network	\$23,035,361	\$22,372,106	\$20,799,365	\$20,029,576				\$86,236,408			
Third Party Issuers	\$23,035,361 1,458,959	\$22,372,106	1,313,438					\$80,230,408 5,480,105			
	24,494,320		22,112,803	1,215,140	\$10,179,260	\$5,215,051	280/		\$72.106.400	¢10 £20 112	250
Total Third Party Payments		23,864,674		21,244,716	\$19,178,369 22,283,874	\$5,315,951 1,198,221	28% 5%	91,716,513	\$73,196,400	\$18,520,113	25%
U.S. Card Total	23,482,095 \$47,976,415	24,411,714 \$48,276,388	22,975,645 \$45,088,448	22,925,046 \$44,169,762	\$41,462,243	\$6,514,172	5% 16%	93,794,500 \$185,511,013	89,819,628 \$163,016,028	3,974,872 \$22,494,985	4% 14%
1 Otal	\$47,970,415	340,270,388	\$42,088,448	\$44,109,702	\$41,402,243	\$0,314,172	1070	\$163,311,013	\$105,010,028	\$22,494,985	14%

¹ The quarter ended November 30, 2007 includes a \$391 million pre-tax (\$279 million after-tax) non-cash impairment charge related to the company's Goldfish business in the International Card Segment. Excluding the impairment charge the company's basic EPS would be \$0.41 and \$1.76, diluted EPS would be \$0.40 and \$1.75, and ROE would be 14% and 15% for the quarter and year end, respectively.

² For all periods prior to the spin off from Morgan Stanley, the same number of shares is being used for diluted EPS as for basic EPS as no common stock of Discover Financial Services was traded prior to July 2, 2007 and no Discover equity awards were outstanding for the prior periods.

Managed Basis¹ (unaudited, dollars in thousands)

No. 98, 300* Lyr. 11, 300* No. 91, 300* Feb. 3, 300* No. 90, 306 No. 90, 206 Diff 300* 200* 300* Inversit frames 51,271,079 51,211,079 52,211,079 52,213,079 <th>(unaudited, dollars in thousands)</th> <th colspan="2"></th> <th>Quarter Ended</th> <th colspan="2">.d</th> <th colspan="2">Nov 30, 2007</th> <th colspan="2">Year Ended</th> <th colspan="2"></th>	(unaudited, dollars in thousands)			Quarter Ended	.d		Nov 30, 2007		Year Ended			
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		Nov 30, 2007	Aug 31, 2007		Feb 28, 2007	Nov 30, 2006					2007 vs 20	06
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$	Earnings Summary											
$ \begin{array}{cccccccccccccccccccccccccccccccccccc$		\$1,793.072	\$1,751,919	\$1,715,844	\$1,599,684	\$1,543,806	\$249,266	16%	\$6,860,519	\$6,167,485	\$693.034	11%
Schlaren forme 977.64 948.48 965.51 953.85 944.76 954.76 3387.76 3325.86 543.35 11 Order boxe 0.652.41 0.53.21 0.53.45 503.40 503.45 503.46 503.46 503.46 503.46 503.46 503.46 10.16.41 10.01.64 409.01.8												27%
Revents Not lineard Lippent 1460.258 1570.090 1550.586 1570.290 1462.57 166.451 118 6.2225.00 20.0181 148 15 Prophone Compensation and looth 22.644 227.004 23.573 221.714 236 20.0164 22.004 33.573 221.714 236 20.0164 10.0164 20.018 148 Prophone Compensation and looth 9.956 9.903 9.602 9.9343 20.0106 (48) 9.9256 9.003 9.023 9.010 (48) 9.9258 9.003 9.023 9.011 10.010 (48) 9.9258 9.023 9.011 9.9258 9.023 9.011 9.9258 9.023 9.011 9.9234 9.023 9.011 9.9234 9.0234	Net Interest Income	977,864	984,468	968,541	953,858	934,704	43,160	5%	3,884,731	3,829,896	54,835	1%
Revense Not flattord Expose 1460.328 1570.090 1.560.378 1.590.277 166,473 11% 6.272.303 2.03.032 60.118 11% Englyne Composition for Longes 64.8718 900.05 320.438 426.60 527.559 121,177 20% 2.03.042 60.119 10% 92.2084 533.148 40.110 10% 92.2084 533.148 40.110 10% 92.2084 533.148 40.110 10% 92.2084 533.148 40.110 10% 92.2084 533.06 40.110 10% 92.2084 533.06 40.00 11.5244 80.058 11.50.44 80.958 11.50.144 80.958 11.52.016 60.71.09 10.11 10% 12.52.06 71.01 11.52.026 60.71.09 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10% 12.52.06 10.11 10.11												1%
	Revenue Net of Interest Expense	1,660,208	1,537,089		1,509,297	1,494,757					69,118	1%
Markening and Busiess Declement 163/916 163/916 163/916 163/916 163/926 <th< td=""><td>Provision for Loan Losses</td><td>648,718</td><td>509,026</td><td>530,438</td><td>482,660</td><td>527,539</td><td>121,179</td><td>23%</td><td>2,170,842</td><td>1,901,644</td><td>269,198</td><td>14%</td></th<>	Provision for Loan Losses	648,718	509,026	530,438	482,660	527,539	121,179	23%	2,170,842	1,901,644	269,198	14%
Information 98,526 99,065 96,622 99,422 102,325 0,4010 0,445 338,065 337,355 4,70 0,70 Presenting Expendent 21,76,1 22,010 34,805 22,055 0,60 0,151 0,91,31 0,223 0,707 (17) 107	Employee Compensation and Benefits	226,494	227,904	234,373	233,318	234,625	(8,131)	(3%)	922,089	933,196	(11,107)	(1%)
	Marketing and Business Development	163,916	163,015	140,930	142,344	197,601	(33,685)	(17%)	610,205	603,556	6,649	1%
Dense sal Equipment 21,761 22,211 24,330 22,389 23,386 (2,12) (9) 9,531 9,2278 (717) (19) Other Expense 100,0425 008,459 100,592 455,665 22,114,12 123,254 117,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,315 112,316 112,316 112,316 112,316 112,316 112,316 112,316 112,316 1	Information Processing & Communications	98,926	99,065	96,622	93,452	102,936	(4,010)	(4%)	388,065	387,595	470	0%
Obst Dates 48,665 92,194 93,435 82,205 103,391 781,677 781,878 781,677 781,878 415,5512 721,828 415,5512 721,721 418,5513 721,721 725,851,723 725,851,723 725,851,723 725,851,723 725,851,723 725,851,723 725,851,723 725,857,724 725,857,724 725,857,724 725,857,724 725,857,724 725,857,724 725,857,724 725,857,724 725,857,724,725 725,857,724,725 <t< td=""><td>Professional Fees</td><td>102,742</td><td>94,060</td><td>113,264</td><td>80,958</td><td>119,049</td><td>(16,307)</td><td>(14%)</td><td>391,024</td><td>367,769</td><td>23,255</td><td>6%</td></t<>	Professional Fees	102,742	94,060	113,264	80,958	119,049	(16,307)	(14%)	391,024	367,769	23,255	6%
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Premises and Equipment	21,761	22,611	24,350	22,809	23,886	(2,125)	(9%)	91,531	92,278	(747)	(1%)
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $	Other Expense ²	485,656	92,194	93,453	82,295	103,580	382,076	NM	753,598	335,089	418,509	125%
Tak Espanse (3.038) $126,074$ $123,284$ $173,859$ (081) (2457) NM $384,149$ $556,869$ $(121,540)$ (246) Relations (145%) (356,1007) $150,061$ (351,559) (48%) (364,070) $120,061$ (351,559) (48%) (364,070) $120,061$ (351,559) (48%) (364,071) $120,061$ (351,559) (48%) (351,071,550) (48%) (352,553,064) (351,992,455) (351,992,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (351,972,45) (351,9		1,099,495	698,849	702,992	655,176	781,677	317,818	41%	3,156,512	2,719,483	437,029	16%
Tak Espanse (3.038) $126,074$ $123,284$ $173,859$ (081) (2457) NM $384,149$ $556,869$ $(121,540)$ (246) Relations (145%) (356,1007) $150,061$ (351,559) (48%) (364,070) $120,061$ (351,559) (48%) (364,070) $120,061$ (351,559) (48%) (364,071) $120,061$ (351,559) (48%) (351,071,550) (48%) (352,553,064) (351,992,455) (351,992,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (355,192,455) (351,972,459) (351,972,45) (351,9	Income (Loss) Before Income Taxes ²	(88,005)	329,214	332,526	371,461	185,541	(273,546)	(147%)	945,196	1,582,305	(637,109)	(40%)
Net hanner Statutor	Tax Expense	(3,938)	126,974	123,284	137,829	(981)			384,149	505,689		(24%)
Lan Receivables \$\$2,553,044 \$\$1,802,455 \$\$1,902,455 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$5,774,275 \$\$5,774,275 \$\$5,774,275 \$\$5,774,275 \$\$5,774,772 \$\$0,7747 4% \$\$5,218,375 \$\$5,774,772 \$\$0,780,787 \$\$1,780,780	Net Income (Loss) ²	(\$84,067)	\$202,240	\$209,242				(145%)	\$561,047	\$1,076,616		(48%)
Lan Receivables \$\$2,553,044 \$\$1,802,455 \$\$1,902,455 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$2,253,044 \$\$0,446,177 \$\$2,107,477 4% \$\$5,774,275 \$\$5,774,275 \$\$5,774,275 \$\$5,774,275 \$\$5,774,772 \$\$0,7747 4% \$\$5,218,375 \$\$5,774,772 \$\$0,780,787 \$\$1,780,780	Balance Sheet Statistics											
Accenge Lone Receivables \$51,818,029 \$51,818,019 \$51,818,019 \$51,818,019 \$51,818,019 \$51,818,019 \$51,818,019 \$51,818,019 \$51,818,118 \$51,818,118 \$51,818,1		\$52 553 604	\$51 892 455	\$51 505 397	\$50,931,556	\$50 446 177	\$2 107 427	4%	\$52 553 604	\$50 446 177	\$2 107 427	4%
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Tangble Equity/For Managed Receivables 10.1% 9.6% 10.2% 10.1% 9.6% 10.2% 10.1% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.1% 10.2% 10.1% 10.2% 10.1%								. ,				
Tangible Equity Total Managed Assets 7.9% 7.5	6 1 5						\$170,000	1,0			1	
Return on Loan Receivables (0.65%) 1.56% 1.63% 1.84% 1.52% (217) bps 1.09% 2.22% (113) bps Total Credit Card Leans Credit Card Leans Stoppoly Sto												50
Return on Loan Receivables (0.65%) 1.56% 1.63% 1.84% 1.52% (217) bps 1.09% 2.22% (113) bps Total Credit Card Leans Credit Card Leans Stoppoly Sto	Net Yield on Loan Receivables	7.57%	7.58%	7.56%	7.50%	7.60%	(3) b	ps	7.55%	7.91%	(36) b	ps
Credit Card Loans - Managed \$52,302,410 \$51,800,446 \$51,415,812 \$50,840,710 \$50,350,328 \$1,952,082 4% \$52,302,410 \$50,350,328 \$1,952,082 4% Average Credit Card Loans - Managed \$51,808,457 \$51,400,472 \$50,751,580 \$51,478,643 \$49,214,953 \$52,473,504 5% \$51,338,135 \$48,216,546 \$53,121,589 6% Managed Interest Yield 12,63% 12,25% 12,25% 12,22% 41 bps 12,44% 12,36% 8 bps Managed Delinquency Rate (over 30 days) 3,73% 3,30% 3,12% 3,44% 3,50% 23 bps 3,73% 3,50% 23 bps 1,74% 1,65% 9 bp 1,74% 1,65% 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,373,156 2,374,1	Return on Loan Receivables	(0.65%)	1.56%	1.63%	1.84%	1.52%	(217) b	ps	1.09%	2.22%		
Average Credit Card Loans - Managed \$\$1,688,457 \$\$51,480,722 \$\$50,751,580 \$\$51,478,643 \$\$49,214,953 \$\$2,473,504 5% \$\$51,338,135 \$\$48,216,546 \$\$3,121,589 6% Managed Interest Yield 12,63% 12,25% 12,25% 12,22% 41 bps 12,44% 12,36% 8 bps Managed Interest Yield 4,08% 3.95% 4.23% 4.05% 4.15% (7) bps 4.08% 4.08% 0 bps Managed Delinquency Rate (over 90 days) 1.74% 1.55% 1.51% 1.68% 1.65% 9 bps 1.74% 1.65% 9 bps Total Credit Card Volume Total Credit Card Sales 526,680,735 525,682,545 5477,231 2% 5106,620,818 510,290,1893 53,718,925 40% Total 3242,5843 3.601,870 3.464,009 3.5478,159 5347,702 (119,159) (3%) 142,254,621 11.881,465 52,02,081 5% Total \$29,588,319 \$30,073,599 \$30,645,637 \$346,600,37 \$25,70,93 <t< td=""><td>Total Credit Card Loans</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	Total Credit Card Loans											
Managed Interest Yield 12.63% 12.25% 12.25% 12.22% 41 bys 12.44% 12.36% 8 bps Managed Net Principal Charge-off Rate 4.08% 3.39% 3.12% 3.44% 3.50% 23 bps 4.08% 4.08% 0 bps Managed Delinquency Rate (over 30 days) 3.73% 3.30% 3.12% 3.44% 3.50% 23 bps 1.74% 1.65% 9 bps 1.74% 1.65% 2.97.35% 3.06.035 3.27	Credit Card Loans - Managed	\$52,302,410	\$51,800,446	\$51,415,812	\$50,840,710	\$50,350,328	\$1,952,082	4%	\$52,302,410	\$50,350,328	\$1,952,082	4%
Managed Net Principal Charge-off Rate 4.08% 3.95% 4.23% 4.05% 4.15% (7) bps 4.08% 4.08% 0 bps Managed Delinquency Rate (over 30 days) 3.73% 3.30% 3.12% 3.44% 3.50% 23 bps 3.73% 3.50% 23 bps Managed Delinquency Rate (over 90 days) 1.74% 1.55% 1.51% 1.68% 1.65% 9 bps 1.74% 1.65% 9 bps Total Credit Card Volume Domestic \$26,159,776 \$27,171,729 \$26,6408,578 \$25,682,545 \$477,231 2% \$106,620,818 \$102,901,893 \$3,718,925 4% International 3.428,543 3.601,870 3.646,009 3.578,199 3.547,702 (119,159) (3%) 14,254,621 11,881,465 2.373,156 29% Total \$29,588,319 \$30,773,599 \$30,658,977 \$3,646,009 3,578,199 3,547,702 (119,159) (3%) \$114,783,358 \$6,092,081 5% Total \$22,588,639 \$22,577,999 \$22,108,865 \$22,037,053 <td< td=""><td>Average Credit Card Loans - Managed</td><td>\$51,688,457</td><td>\$51,440,722</td><td>\$50,751,580</td><td>\$51,478,643</td><td>\$49,214,953</td><td>\$2,473,504</td><td>5%</td><td>\$51,338,135</td><td>\$48,216,546</td><td>\$3,121,589</td><td>6%</td></td<>	Average Credit Card Loans - Managed	\$51,688,457	\$51,440,722	\$50,751,580	\$51,478,643	\$49,214,953	\$2,473,504	5%	\$51,338,135	\$48,216,546	\$3,121,589	6%
Managed Delinquency Rate (over 30 days) 3.73% 3.30% 3.12% 3.44% 3.50% 23 bps 3.73% 3.50% 23 bps Managed Delinquency Rate (over 90 days) 1.74% 1.55% 1.51% 1.66% 1.65% 9 bps 1.74% 1.65% 9 bps Total Credit Card Volume Domestic \$26,159,776 \$27,171,729 \$26,408,578 \$25,682,545 \$477,231 2% \$106,620,818 \$102,901,893 \$3,718,925 4% International 3,428,543 3,601,870 3,646,009 3,578,199 3,547,702 (119,159) (3%) 14,254,621 11,881,465 2,373,156 2% Total \$29,588,319 \$30,773,599 \$30,054,587 \$33,458,934 \$29,232,247 \$3358,072 1% \$12,0875,439 \$11,4783,338 \$6,092,081 5% Total Credit Card Sales Volume Domestic \$22,586,339 \$23,527,999 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$33,876,979 4% International												
Managed Delinquency Rate (over 90 days) 1.74% 1.55% 1.51% 1.68% 1.65% 9 bps 1.74% 1.65% 9 bps Total Credit Card Volume Domestic \$26,159,776 \$27,171,729 \$26,408,578 \$26,880,735 \$25,682,545 \$477,231 2% \$106,620,818 \$102,901,893 \$3,3718,925 4% International 3.428,543 3.601,870 3.646,009 3.578,199 3.3,47,702 (119,159) (3%) 14.254,621 11,881,465 2.373,156 20% Total \$29,588,319 \$30,073,599 \$30,054,587 \$30,458,934 \$29,230,247 \$358,072 1% \$12,0875,439 \$114,783,358 \$6,090,2081 5% Total \$22,588,639 \$23,527,999 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3.212,885 3.296,360 3.277,439 3.169,284 3,123,230 \$89,655 3% \$12,955,968 10,335,331 2,60,6037 25%	e i e											
Total Credit Card Sales Volume S26,159,776 S27,171,729 S26,408,578 S26,880,735 S25,682,545 S477,231 2% S106,620,818 S102,901,893 S3,718,925 4% International 3,428,543 3,601,870 3,646,009 3,578,199 3,547,702 (119,159) (3%) 14,254,621 11,881,465 2,373,156 20% Total \$29,588,319 \$30,773,599 \$30,054,587 \$30,458,934 \$29,230,247 \$358,072 1% \$120,875,439 \$114,783,358 \$6,092,081 5% Total Credit Card Sales Volume Domestic \$22,588,639 \$22,52,580,530 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 25% Yotal \$25,801,524 \$26,824,359 \$25,386,304 \$25,206,337 \$24,527,555 \$1,273,969 5% \$103,218,524 \$96,672,0908 \$6,497,616 7% Segment - Inco												
Domestic \$26,159,776 \$27,171,729 \$26,408,578 \$26,807,35 \$25,682,545 \$477,231 2% \$106,620,818 \$102,901,893 \$3,718,925 4% International 3,428,543 3,601,870 3,646,009 3,578,199 3,547,702 (119,159) (3%) 14,254,621 11,881,465 2,373,156 20% Total \$29,588,319 \$30,073,599 \$30,054,587 \$30,458,934 \$29,230,247 \$358,072 1% \$120,875,439 \$114,783,358 \$6,092,081 5% Total Credit Card Sales Volume \$23,527,999 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,87,6979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 \$89,655 3% 12,955,968 10,335,331 2,620,637 7% Segment - Income Before Income Taxes \$25,801,524 \$387,085 \$3388,813 \$401,026 \$228,986 <td< td=""><td>Managed Delinquency Rate (over 90 days)</td><td>1.74%</td><td>1.55%</td><td>1.51%</td><td>1.68%</td><td>1.65%</td><td>9 b</td><td>ps</td><td>1.74%</td><td>1.65%</td><td>9 bj</td><td>ps</td></td<>	Managed Delinquency Rate (over 90 days)	1.74%	1.55%	1.51%	1.68%	1.65%	9 b	ps	1.74%	1.65%	9 bj	ps
International Total 3,428,543 3,601,870 3,646,009 3,578,199 3,547,702 (119,159) (3%) 14,254,621 11,881,465 2,373,156 20% Total \$29,588,319 \$30,073,599 \$30,054,587 \$30,458,934 \$29,230,247 \$358,072 1% \$120,875,439 \$114,783,358 \$6,092,081 5% Total Credit Card Sales Volume Domestic \$22,588,639 \$23,527,999 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 257 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640,453 \$(\$1,640												
Total \$29,588,319 \$30,773,599 \$30,054,587 \$30,458,934 \$29,230,247 \$338,072 1% \$120,875,439 \$114,783,358 \$6,092,081 5% Total Credit Card Sales Volume Domestic \$22,588,639 \$22,588,639 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 25% Total \$25,801,524 \$26,824,359 \$25,303,03 \$24,527,555 \$1,273,969 5% \$103,218,524 \$96,720,908 \$6,497,616 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,504,450 \$1,640,453 \$(\$136,003) (\$8) Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,600 28,949 8,011												
Total Credit Card Sales Volume S22,588,639 S23,527,999 S22,108,865 S22,037,053 S21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 25% Total \$25,801,524 \$26,824,359 \$25,386,304 \$25,206,337 \$24,527,555 \$1,1273,969 5% \$103,218,524 \$96,720,908 \$6,497,616 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,604,453 \$1,640,453 \$1640,453												20%
Domestic \$22,588,639 \$22,527,999 \$22,108,865 \$22,037,053 \$21,404,325 \$1,184,314 6% \$90,262,556 \$86,385,577 \$3,876,979 4% International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 25% Total \$25,801,524 \$26,824,359 \$\$25,206,337 \$\$24,527,555 \$1,273,969 \$\$ \$103,218,524 \$\$96,720,908 \$6,6497,616 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,640,453 \$(\$136,003) (\$8) Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,011 28% Intermational Card (423,122) (67,310) (64,27) (14,485) (50,391) (372,731) NM (596,214) (87,097) (50,111) NM	Total	\$29,588,319	\$30,773,599	\$30,054,587	\$30,458,934	\$29,230,247	\$358,072	1%	\$120,875,439	\$114,783,358	\$6,092,081	5%
International 3,212,885 3,296,360 3,277,439 3,169,284 3,123,230 89,655 3% 12,955,968 10,335,331 2,620,637 25% Total \$25,801,524 \$26,824,359 \$25,386,304 \$25,206,337 \$24,527,555 \$1,273,969 \$% \$103,218,524 \$96,6720,908 \$6,6497,616 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,640,453 \$(\$136,003) (\$% Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,001 28% International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM												
Total \$25,801,524 \$26,824,359 \$25,386,304 \$225,206,337 \$224,527,555 \$1,273,969 \$% \$103,218,524 \$96,720,908 \$6,497,616 7% Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,504,450 \$1,640,453 \$(\$136,003) (8% U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,504,450 \$1,640,453 \$(\$136,003) (8% Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,011 28% International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM			1 - 1 - 1 - 1 - 1	, , ,	, ,,				1, . ,		1 - 7 7 7	4%
Segment - Income Before Income Taxes U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,504,450 \$1,640,453 (\$136,003) (8% Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,011 28% International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM												25%
U.S. Card \$327,526 \$387,085 \$388,813 \$401,026 \$228,986 \$98,540 43% \$1,504,450 \$1,640,453 \$(\$136,003) (8% Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,011 28% International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM	Total	\$25,801,524	\$26,824,359	\$25,386,304	\$25,206,337	\$24,527,555	\$1,273,969	5%	\$103,218,524	\$96,720,908	\$6,497,616	7%
Third Party Payments 7,591 9,439 8,010 11,920 6,946 645 9% 36,960 28,949 8,011 28% International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM												
International Card (423,122) (67,310) (64,297) (41,485) (50,391) (372,731) NM (596,214) (87,097) (509,117) NM												(8%)
												28%
Total (\$88,005) \$329,214 \$332,526 \$371,461 \$185,541 (\$273,546) (147%) \$945,196 \$1,582,305 (\$637,109) (40%)					())					(,		NM
	Total	(\$88,005)	\$329,214	\$332,526	\$371,461	\$185,541	(\$273,546)	(147%)	\$945,196	\$1,582,305	(\$637,109)	(40%)

¹ Managed basis assumes loans that have been securitized were not sold and presents earnings and statistical information on these loans in a manner similar to the way loans that have not been sold are presented. See Reconciliation of GAAP to Managed schedule.

² The quarter ended November 30, 2007 includes a \$391 million pre-tax (\$279 million after-tax) non-cash impairment charge related to the company's Goldfish business in the International Card Segment.

³ Balance on a GAAP and Managed basis is the same.

U.S. Card Segment Managed Basis¹

Managed Basis^{*} (unaudited, dollars in thousands)

(unit diffed, donaro in thousands)			Quarter Ended			Nov 30, 200)7	Year l	Ended		
-	Nov 30, 2007	Aug 31, 2007	May 31, 2007	Feb 28, 2007	Nov 30, 2006	vs Nov 30, 20	006	2007	2006	2007 vs 20	06
Earnings Summary											
Interest Income	\$1,666,768	\$1,626,214	\$1,601,324	\$1,481,992	\$1,429,508	\$237,260	17%	\$6,376,298	\$5,748,698	\$627,600	11%
Interest Expense	743,975	697,643	693,837	593,610	562,185	181,790	32%	2,729,065	2,160,569	568,496	26%
Net Interest Income	922,793	928,571	907,487	888,382	867,323	55,470	6%	3,647,233	3,588,129	59,104	2%
Other Income	603,709	481,060	526,304	490,003	493,713	109,996	22%	2,101,076	2,097,676	3,400	0%
Revenue Net of Interest Expense	1,526,502	1,409,631	1,433,791	1,378,385	1,361,036	165,466	12%	5,748,309	5,685,805	62,504	1%
Provision for Loan Losses	584,722	418,349	444,249	406,076	452,965	131,757	29%	1,853,396	1,663,472	189,924	11%
Total Other Expense	614,254	604,197	600,729	571,283	679,085	(64,831)	(10%)	2,390,463	2,381,880	8,583	0%
Income Before Income Taxes	\$327,526	\$387,085	\$388,813	\$401,026	\$228,986	\$98,540	43%	\$1,504,450	\$1,640,453	(\$136,003)	(8%)
Loan Receivables	\$48,180,436	\$47,444,107	\$46,953,902	\$46,356,858	\$45,802,071	\$2,378,365	5%	\$48,180,436	\$45,802,071	\$2,378,365	5%
Average Loan Receivables	\$47,381,471	\$47,016,472	\$46,296,296	\$46,965,884	\$44,899,320	\$2,482,151	6%	\$46,913,474	\$44,409,231	\$2,504,243	6%
Net Yield on Loan Receivables	7.81%	7.84%	7.78%	7.67%	7.75%	6 bp	s	7.77%	8.08%	(31) b	ps
Pretax Return on Loan Receivables	2.77%	3.27%	3.33%	3.46%	2.05%	72 bp	s	3.21%	3.69%	(48) b	ps
Total Credit Card Loans											
Credit Card Loans - Managed	\$47,929,242	\$47,352,098	\$46,864,317	\$46,266,012	\$45,706,222	\$2,223,020	5%	\$47,929,242	\$45,706,222	\$2,223,020	5%
Average Credit Card Loans - Managed	\$47,251,899	\$46,926,260	\$46,203,924	\$46,870,259	\$44,795,724	\$2,456,175	5%	\$46,811,570	\$44,277,249	\$2,534,321	6%
Managed Interest Yield	12.85%	12.76%	12.59%	12.45%	12.42%	43 bp	s	12.66%	12.53%	13 b	ps
Managed Net Principal Charge-off Rate	3.84%	3.70%	4.00%	3.81%	3.99%	(15) bp	s	3.84%	3.96%	(12) b	ps
Managed Delinquency Rate (over 30 days)	3.59%	3.16%	2.97%	3.31%	3.39%	20 bp	s	3.59%	3.39%	20 b	ps
Managed Delinquency Rate (over 90 days)	1.68%	1.48%	1.44%	1.63%	1.59%	9 bp	s	1.68%	1.59%	9 b	ps
Total Credit Card Volume	\$26,159,776	\$27,171,729	\$26,408,578	\$26,880,735	\$25,682,545	\$477,231	2%	\$106,620,818	\$102,901,893	\$3,718,925	4%
Sales Volume	\$22,588,639	\$23,527,999	\$22,108,865	\$22,037,053	\$21,404,325	\$1,184,314	6%	\$90,262,556	\$86,385,577	\$3,876,979	4%

¹ Managed basis assumes loans that have been securitized were not sold and presents earnings and statistical information on these loans in a manner similar to the way loans that have not been sold are presented. See Reconciliation of GAAP to Managed schedule.

Third Party Payments Segment (unaudited, dollars in thousands)

(unauticu, uonars in thousands)			Ouarter Ended			Nov 30, 20	07	Year H	inded		
	Nov 30, 2007	Aug 31, 2007	May 31, 2007	Feb 28, 2007	Nov 30, 2006	vs Nov 30, 2		2007	2006	2007 vs 2	006
Earnings Summary											
Interest Income	\$650	\$594	\$558	\$574	\$516	\$134	26%	\$2,376	\$1,801	\$575	32%
Interest Expense	-	-	4	15	6	(6)	(100%)	19	23	(4)	(17%)
Net Interest Income	650	594	554	559	510	140	27%	2,357	1,778	579	33%
Other Income	29,305	29,465	29,248	30,682	28,077	1,228	4%	118,700	110,700	8,000	7%
Revenue Net of Interest Expense	29,955	30,059	29,802	31,241	28,587	1,368	5%	121,057	112,478	8,579	8%
Provision for Loan Losses	-	-	-	-	-	-	0%	-	-	-	0%
Total Other Expense	22,364	20,620	21,792	19,321	21,641	723	3%	84,097	83,529	568	1%
Income Before Income Taxes	\$7,591	\$9,439	\$8,010	\$11,920	\$6,946	\$645	9%	\$36,960	\$28,949	\$8,011	28%
Network Volume											
PULSE Network	\$23,035,361	\$22,372,106	\$20,799,365	\$20,029,576				\$86,236,408			
Third Party Issuers	1,458,959	1,492,568	1,313,438	1,215,140				5,480,105			
Total Third Party Payments	\$24,494,320	\$23,864,674	\$22,112,803	\$21,244,716	\$19,178,369	\$5,315,951	28%	\$91,716,513	\$73,196,400	\$18,520,113	25%
Transactions Processed on PULSE Network (000's)	611,518	593,866	558,811	520,866	488,087	123,431	25%	2,285,061	1,856,477	428,584	23%

International Card Segment

Managed Basis¹ (unaudited, dollars in thousands)

			Quarter Ended			Nov 30, 200)7	Year E	nded		
	Nov 30, 2007	Aug 31, 2007	May 31, 2007	Feb 28, 2007	Nov 30, 2006	vs Nov 30, 20)06	2007	2006	2007 vs 20	06
Earnings Summary											
Interest Income	\$125,654	\$125,111	\$113,962	\$117,118	\$113,782	\$11,872	10%	\$481,845	\$416,986	\$64,859	16%
Interest Expense	71,233	69,808	53,462	52,201	46,911	24,322	52%	246,704	176,997	69,707	39%
Net Interest Income	54,421	55,303	60,500	64,917	66,871	(12,450)	(19%)	235,141	239,989	(4,848)	(2%)
Other Income	49,330	42,096	41,863	34,754	38,263	11,067	29%	168,043	165,160	2,883	2%
Revenue Net of Interest Expense	103,751	97,399	102,363	99,671	105,134	(1,383)	(1%)	403,184	405,149	(1,965)	(0%)
Provision for Loan Losses	63,996	90,677	86,189	76,584	74,574	(10,578)	(14%)	317,446	238,172	79,274	33%
Total Other Expense 2	462,877	74,032	80,471	64,572	80,951	381,926	NM	681,952	254,074	427,878	168%
Income (Loss) Before Income Taxes ²	(\$423,122)	(\$67,310)	(\$64,297)	(\$41,485)	(\$50,391)	(\$372,731)	NM	(\$596,214)	(\$87,097)	(\$509,117)	NM
Loan Receivables	\$4,373,168	\$4,448,348	\$4,551,495	\$4,574,698	\$4,644,106	(\$270,938)	(6%)	\$4,373,168	\$4,644,106	(\$270,938)	(6%)
Average Loan Receivables	\$4,436,558	\$4,514,462	\$4,547,656	\$4,608,384	\$4,419,229	\$17,329	0%	\$4,526,565	\$3,992,316	\$534,249	13%
Net Yield on Loan Receivables	4.92%	4.86%	5.28%	5.71%	6.07%	(115) bp	s	5.19%	6.01%	(82) b	ps
Pretax Return on Loan Receivables ²	(38.25%)	(5.92%)	(5.61%)	(3.65%)	(4.57%)	(3,368) bp	s	(13.17%)	(2.18%)	(1099) bps	
Total Credit Card Loans											
Credit Card Loans - Managed	\$4,373,168	\$4,448,348	\$4,551,495	\$4,574,698	\$4,644,106	(\$270,938)	(6%)	\$4,373,168	\$4,644,106	(\$270,938)	(6%)
Average Credit Card Loans - Managed	\$4,436,558	\$4,514,462	\$4,547,656	\$4,608,384	\$4,419,229	\$17,329	0%	\$4,526,565	\$3,939,297	\$587,268	15%
Managed Interest Yield	10.32%	10.00%	9.89%	10.25%	10.23%	9 bp	s	10.11%	10.38%	(27) b	ps
Managed Net Principal Charge-off Rate	6.65%	6.56%	6.50%	6.45%	5.80%	85 bp		6.54%	5.45%	109 b	ps
Managed Delinquency Rate (over 30 days)	5.25%	4.89%	4.69%	4.75%	4.58%	67 bp		5.25%	4.58%	67 b	ps
Managed Delinquency Rate (over 90 days)	2.43%	2.30%	2.25%	2.25%	2.22%	21 bp	s	2.43%	2.22%	21 b	ps
Total Credit Card Volume	\$3,428,543	\$3,601,870	\$3,646,009	\$3,578,199	\$3,547,702	(\$119,159)	(3%)	\$14,254,621	\$11,881,465	\$2,373,156	20%
Sales Volume	\$3,212,885	\$3,296,360	\$3,277,439	\$3,169,284	\$3,123,230	\$89,655	3%	\$12,955,968	\$10,335,331	\$2,620,637	25%

¹ Managed basis assumes loans that have been securitized were not sold and presents earnings and statistical information on these loans in a manner similar to the way loans that have not been sold are presented. See Reconciliation of GAAP to Managed schedule.

² Includes non-cash impairment charge related to the company's Goldfish business (\$391 million pre-tax, \$279 million after-tax).

DISCOVER FINANCIAL SERVICES

RECONCILIATION OF GAAP TO MANAGED

The following pages (7-9) present a reconciliation for certain information disclosed on pages 1-5.

The data is presented on both a "managed" loan basis and as reported under generally accepted accounting principles ("owned" loan basis). Managed loan data assume that the company's securitized loan receivables have not been sold and presents the results of securitized loan receivables in the same manner as the company's owned loans. The company operates its business and analyzes its financial performance on a managed basis. Accordingly, underwriting and servicing standards are comparable for both owned and securitized loans. The company believes that managed loan information is useful to investors because it provides information regarding the quality of loan origination and credit performance of the entire managed portfolio and allows investors to understand the related credit risks inherent in owned loans and retained interests in securitizations. Managed loan data is also relevant because the company services the securitized and owned loans, and the related accounts, in the same manner without regard to ownership of the loans. In addition, investors often request information on a managed basis which provides a more meaningful comparison to industry competitors.

Discover Financial Services Reconciliation of GAAP to Managed¹ (unaudited, dollars in thousands)

Nor 30, 2007 Aug 31, 2007 Mag 31, 2007 Pab 38, 3007 Nor 36, 2008 Interest lacone CAAP Basi Nearged Rout 5748,889 5735,610 5703,610 5703,610 5703,610 5703,610 522,853,100 522,853,100 522,853,250 Nearged Rout 1,1023,077 51,101070 1,1125,621 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,024 51,215,908 5200,025 51,207,308 5220,359 500,024 51,207,308 5220,359 500,025,756 5220,359 500,020 5207,556 5220,359 500,021 551,518,48 551,518,48 551,518,48 551,518,48 551,518,48 551,518,48 551,518,48 551,518,48 551,518,456 551,518,456 551,518,456 551,518,456 551,518,456 551,517,618,518,518 551,517,618 551,518,518 551,517,618,518,518,518,518,518,518,518,518,518,5				Quarter Ended			Year Ended			
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CAAP Basis 573,889 573,540 5701,365 5602,166 52,881,169 52,483,559 Manged Basis 51,704,072 51,755,444 51,559,44 51,559,464 51,555,45 55,560,558 55,620,59 55,616,455 Innext Expanse 500,714 51,151,1019 51,755,444 51,559,464 51,555,45 55,536,159 55,313,137,151 54,016,455 Innext Expanse 500,714 51,65,754 51,205,754 52,375,98 52,376,99 52,375,98 52,376,99 52,376,99 52,376,99 52,376,99 52,376,99 52,376,99 52,376,99 52,376,99 52,376,99 <td< td=""><td>Interact Income</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Interact Income									
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Managed Basis \$1,795,0772 \$1,715,544 \$1,599,064 \$1,543,806 \$56,80,319 \$6,167,485 Interest Expense GAAP Basis \$400,734 \$36,023 \$283,529 \$243,518 \$1,382,415 \$594,004 Scuntration Adjourners 414,474 405,982 411,000 301,827 305,534 1,597,738 \$233,7597 Nei Inserest Income OAAP Basis \$507,112 \$596,346 \$578,648 \$1,505,754 \$151,518,466 Scuntration Adjourners \$627,799 \$904,247 \$1,997,648 \$1,505,754 \$1,518,777 \$2,114,100 Scuntration Adjourners \$627,799 \$904,246 \$998,841 \$998,541 \$998,541 \$538,791 \$53,827,971 \$2,314,010 \$1,358,979 ChAP Basis \$1,001,51 \$845,498 \$507,127 \$272,42792 \$202,3277 \$224,4792 \$202,329 \$208,101 \$1,588,179 \$3,588,1793 \$507,137 \$507,373 \$507,373 \$507,137 \$507,137 \$507,137 \$507,137 \$507,137 \$507,137 \$507,137 \$507,137 \$507,137										
Interest Express Status <	5									
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Scenarization Adjustments 414474 405.092 411.00 361.867 365.854 1.993.373 1.397.549 Net Interest Income GAAP Basis S151.208 S157.08 S2375.788 S2375.789 S2375.781 S2377.518 S2377.519 S2377.519 </td <td>1</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	1									
Managed Basis SB15_208 S767_451 S747_307 S445_8256 S609_102 S22973_788 S2337_589 Net Interest Income GAAP Basis S348_155 S394_141 S367_112 S396_346 S378_648 S1_505_754 S1_518_456 Securitization Adjustments 629_709 S90_327 601_429 S57_512 S56_6056 2_378_977 S1_518_456 Other Income GAAP Basis S1_001_251 S84_5498 S871_091 S82_5677 S82_5677 S82_5673 S3_54_6119 S1_58_919 CAAP Basis S66_1.044 S55_1.601 S55_5499 S560051 S2_378_7819 S1_57_1556 Revenue Not Interest Expense GAAP Basis S66_2.24771 S557_609 S1_220_623 S1_200,071 S1_220_623 S1_200,011 S5_057_425 S1_07_225 Securitization Adjustments 306_802 297_400 S1_220_623 S1_200,027 S1_20_601 S5_057_425 S1_200_611 S5_057_425 Revenue Not Interest Expense GAAP Basis S1_351_600 S1_230_803 S1_222_023 S1_200_611 S5_057_425 S2_207_305 S2_20										
Net Interest facome CAAP Basis S148,155 S394,141 S167,112 S396,346 S178,648 S1,505,754 S1,518,484 Managed Basis S977,864 S984,468 S908,541 S953,512 S56,056 2,278,977 2,311,410 Managed Basis S977,864 S984,468 S908,541 S953,588 S934,704 S3384,731 S3328,979 2,311,410 CAAP Basis S1,005,251 S845,6498 S871,693 S825,677 S282,263 S3,546,119 S3,538,939 Securitization Adjustments G320,9071 (224,277) (274,278) (270,238) G282,341 S52,373,356 Revenue Net of Interest Expense GAAP Basis S1,351,466 S1,239,639 S1,238,805 S1,200,511 S5,051,873 S5,051,87										
GAAP Basis S148,155 S194,141 S167,112 S196,346 S175,648 S175,648 S175,674 S151,873 Managed Basis S977,864 S994,521 S953,858 S954,704 S1384,731 S1382,977 S131,410 Managed Basis S977,864 S984,561 S953,858 S954,704 S1384,731 S1352,8976 Other Income GAAP Basis S10,01,251 S444,648 S871,693 S825,677 S828,263 S1,546,119 S13,538,919 Securitization Adjustments G20,2077 G22,8777 G22,8277 G22,8273 S1,206,911 S1,556,712 S1,277,556 Revenue Not of Interest Expense GAAP Basis S1,60,208 S1,557,687 S1,206,911 S1,505,1873 S4,6077 1,44,6077 Managed Basis S1,60,208 S1,51,676 S203,287 S109,386 S22,96,93 S950,165 S1,556,372 Managed Basis S33,0416 S21,1576 S203,287 S109,386 S229,693 S950,165 S1,556,637 Managed Basis S54,64718 S500,026	Managed Basis	\$815,208	\$767,451	\$747,303	\$045,820	\$609,102	\$2,975,788	\$2,337,389		
Scentrizition Adjustments 629,709 990,327 601,429 957,512 556,056 2,378,977 2,31,140 Manged Basis 5977,864 5984,468 5998,541 5953,585 5934,704 53,384,731 53,829,966 Other Income 63,000,0251 5945,498 5872,677 5852,623 53,546,119 53,538,97 CiAAP Basis 5822,344 5552,621 5597,415 5555,439 560,053 52,387,819 52,337,819 52,337,819 52,337,819 52,337,819 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,337,8319 52,372,5356 52,337,8371 53,051,873 55,051,8173	Net Interest Income									
Managed Basis S977.864 S984.468 S998.541 S953.858 S934.704 S3.884,731 S3.820,206 Other Income CAAP Basis S1.003.251 S845.498 S971.693 S825,677 S928,263 S1.556.119 S1.558.919 C1.1558.909 C1.155.4030 C1.155.4030 C1.155.4030 C1.155.4030 C1.155.4030 C1.155.4030 C1.155.4030 C1.155.4030 S1.220.023 S1.206.051 S2.387.819 S2.387.829 S2.387.829 S2.387.829 S2.387.829 S2.387.829 S2.387.829 S2.378.829 S2.378.829 S2.378.829 S2.378.829	GAAP Basis	\$348,155	\$394,141	\$367,112	\$396,346	\$378,648	\$1,505,754	\$1,518,486		
Other Income Other Income CAAP Basis \$11,003,251 \$845,498 \$8571,693 \$825,677 \$828,263 \$31,546,119 \$3558,939 CadaP Basis \$662,344 \$552,621 \$597,415 \$555,439 \$560,053 \$52,387,819 \$22,372,336 Revenue Not of Interest Expense CAAP Basis \$1,239,639 \$22,372,316 \$23,87,819 \$22,372,336 Revenue Not of Interest Expense \$1,351,406 \$1,239,639 \$21,238,805 \$1,220,037 \$1,460077 \$1,446,0077 Managed Basis \$31,660,208 \$51,570,099 \$1,555,657 \$105,386 \$239,093 \$990,165 \$575,657 CAAP Basis \$33,9916 \$211,576 \$203,287 \$195,386 \$229,093 \$990,165 \$575,657 CAAP Basis \$53,9916 \$211,576 \$203,287 \$287,717 \$27,7846 \$1,220,677 \$1,146,007 Managed Basis \$52,353,041 \$590,026 \$553,0438 \$482,2661 \$527,539 \$2,170,842 \$2,010,797 \$1,400,797 \$1,440,797 \$2,670,3427 \$2,590,309	Securitization Adjustments	629,709	590,327		557,512	556,056	2,378,977	2,311,410		
GAAP Basis \$1,002,251 \$884,5498 \$871,693 \$825,677 \$528,203 \$53,540,119 \$53,538,909 Scentrization Adjustments \$509,204 \$555,221 \$597,415 \$555,439 \$560,053 \$52,387,819 \$52,375,356 Revenue Net of Interest Expense \$51,351,406 \$1,239,639 \$1,238,805 \$1,222,023 \$1,206,911 \$5,051,873 \$5,057,425 CAAP Basis \$1,361,600,208 \$1,237,089 \$1,238,805 \$1,222,023 \$1,206,911 \$5,051,873 \$5,057,425 Provision for Loan Losses \$1,660,208 \$1,237,009 \$1,656,0256 \$1,209,677 \$1,440,077 \$6,272,580 \$5,227,580 \$5,227,580 \$5,220,677 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$5,272,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,277,587 \$2,278,464 \$1,220,677 \$1,146,007 Managed Basis \$523,554,295 \$223,93,598 \$22,78,804 \$22,611,707 \$23,742,750	Managed Basis	\$977,864	\$984,468	\$968,541	\$953,858	\$934,704	\$3,884,731	\$3,829,896		
GAAP Basis \$1,002,251 \$884,5498 \$871,693 \$825,677 \$528,203 \$53,540,119 \$53,538,909 Scentrization Adjustments \$509,204 \$555,221 \$597,415 \$555,439 \$560,053 \$52,387,819 \$52,375,356 Revenue Net of Interest Expense \$51,351,406 \$1,239,639 \$1,238,805 \$1,222,023 \$1,206,911 \$5,051,873 \$5,057,425 CAAP Basis \$1,361,600,208 \$1,237,089 \$1,238,805 \$1,222,023 \$1,206,911 \$5,051,873 \$5,057,425 Provision for Loan Losses \$1,660,208 \$1,237,009 \$1,656,0256 \$1,209,677 \$1,440,077 \$6,272,580 \$5,227,580 \$5,227,580 \$5,220,677 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$1,460,077 \$5,272,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,227,580 \$5,277,587 \$2,278,464 \$1,220,677 \$1,146,007 Managed Basis \$523,554,295 \$223,93,598 \$22,78,804 \$22,611,707 \$23,742,750	Other Income									
Managed Basis 5682,344 5532,621 5597,415 5555,439 5560,053 52,387,819 52,373,356 Revene Net of Interest Expense GAAP Basis 51,351,406 51,239,659 207,459 227,151 287,224 21,206,011 55,051,873 55,057,425 Managed Basis 51,660,208 51,57,089 51,256,596 287,274 287,284 1,200,677 1,146,007 Managed Basis 51,660,208 51,57,089 51,556,596 51,599,297 51,494,757 56,272,550 56,203,432 Provision for Loan Losses GAAP Basis 5339,016 5211,576 5203,287 5195,386 529,093 5950,165 575,537 Securitization Adjustments 308,802 297,459 522,391,398 522,611,707 523,742,750 523,954,295 523,954,295 523,954,295 523,742,750 523,954,295 523,954,295 523,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,295 553,954,29	GAAP Basis									
Revenue Net of Intrest Expense GAAP Basis \$1.351,406 \$1.239,639 \$1.238,805 \$1.220,223 \$1.200,6911 \$5.051,873 \$5.057,425 GAAP Basis \$31,800,208 \$277,450 \$327,151 \$287,274 \$287,846 \$1,220,677 \$1,146,0077 Managed Basis \$1.660,208 \$1.570,889 \$1.566,3956 \$1.509,277 \$1,494,757 \$6,277,2590 \$50,001,452 Provision for Loan Losses GAAP Basis \$339,916 \$211,576 \$203,287 \$195,386 \$229,093 \$950,165 \$755,637 Sccuritization Adjustments 308,802 \$27,450 \$327,115 \$27,739 \$52,170,842 \$1,900,644 Loan Receivables GAAP Basis \$523,954,295 \$523,954,295 \$523,742,750 \$23,742,750 \$23,742,750 \$23,954,295 \$22,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,750 \$23,742,	Securitization Adjustments	(320,907)	(292,877)	(274,278)	(270,238)	(268,210)	(1,158,300)	(1,165,403)		
GAAP Basis S1,351,406 S1,239,639 S1,238,065 S1,220,23 S1,206,011 S5,051,873 S5,057,425 Scentrizzion Adjustments 308,802 297,450 327,151 287,274 287,846 1,220,077 1,146,007 Managed Basis \$1,660,208 \$1,537,089 \$1,565,955 \$1,509,297 \$1,494,757 \$6,227,259 \$6,203,432 Provision for Loan Losses GAAP Basis \$339,916 \$211,576 \$203,287 \$195,386 \$229,693 \$950,165 \$755,637 Scentrizzino Adjustments 308,802 \$27,7450 327,151 287,274 287,846 1,220,077 1,146,007 Managed Basis \$548,718 \$509,026 \$533,438 \$482,660 \$527,539 \$22,170,842 \$1,901,644 Loan Receivables C C S22,017,052 \$23,94,295 \$22,374,750 \$23,954,295 \$23,742,750 \$23,542,495 \$23,944,775 \$50,931,956 \$50,446,177 \$52,553,604 \$51,892,495 \$25,51,50,537 \$50,931,556 \$50,446,177 \$52,553,644 \$50,472,425 \$29,067,	Managed Basis	\$682,344	\$552,621	\$597,415	\$555,439	\$560,053	\$2,387,819	\$2,373,536		
GAAP Basis S1,351,406 S1,239,639 S1,238,065 S1,220,23 S1,206,011 S5,051,873 S5,057,425 Scentrizzion Adjustments 308,802 297,450 327,151 287,274 287,846 1,220,077 1,146,007 Managed Basis \$1,660,208 \$1,537,089 \$1,565,955 \$1,509,297 \$1,494,757 \$6,227,259 \$6,203,432 Provision for Loan Losses GAAP Basis \$339,916 \$211,576 \$203,287 \$195,386 \$229,693 \$950,165 \$755,637 Scentrizzino Adjustments 308,802 \$27,7450 327,151 287,274 287,846 1,220,077 1,146,007 Managed Basis \$548,718 \$509,026 \$533,438 \$482,660 \$527,539 \$22,170,842 \$1,901,644 Loan Receivables C C S22,017,052 \$23,94,295 \$22,374,750 \$23,954,295 \$23,742,750 \$23,542,495 \$23,944,775 \$50,931,956 \$50,446,177 \$52,553,604 \$51,892,495 \$25,51,50,537 \$50,931,556 \$50,446,177 \$52,553,644 \$50,472,425 \$29,067,	Revenue Net of Interest Expense									
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$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$										
$ \begin{array}{c cccc} Securitization Adjustments & 308,802 & 297,450 & 327,151 & 287,274 & 287,846 & 1,220,677 & 1,146,007 \\ \hline Managed Basis & $548,718 & $559,026 & $533,438 & $482,660 & $527,539 & $52,170,842 & $51,901,644 \\ \hline Loan Receivables & \\ GAAP Basis & $23,954,295 & $22,93,598 & $22,788,042 & $22,611,707 & $23,742,750 & $523,954,295 & $523,742,750 \\ \hline Managed Basis & $523,554,295 & $523,364 & $551,892,455 & $251,505,397 & $50,931,556 & $50,446,177 & $525,553,664 & $50,446,177 \\ \hline Total Assets & & & & & & & & & & & & & & & & & & &$		\$339.916	\$211 576	\$203 287	\$195 386	\$239.693	\$950 165	\$755 637		
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GAAP Basis \$22,468,387 \$22,646,290 \$21,419,465 \$24,760,587 \$22,573,508 \$22,814,043 \$21,656,295 Securitization Adjustments 29,220,070 28,794,432 29,332,115 26,718,056 26,641,445 28,524,092 26,560,251	managed Basis	\$52,502,410	\$51,800,446	\$51,415,812	\$30,840,710	\$30,330,328	\$52,502,410	\$30,330,328		
Securitization Adjustments 29,220,070 28,794,432 29,332,115 26,718,056 26,641,445 28,524,092 26,560,251	Average Credit Card Loans									
Managed Basis \$51,688,457 \$51,440,722 \$50,751,580 \$51,478,643 \$49,214,953 \$51,338,135 \$48,216,546										
	Managed Basis	\$51,688,457	\$51,440,722	\$50,751,580	\$51,478,643	\$49,214,953	\$51,338,135	\$48,216,546		

Discover Financial Services Reconciliation of GAAP to Managed¹ (unaudited, dollars in thousands)

			Quarter Ended			Year En	Year Ended		
	Nov 30, 2007	Aug 31, 2007	May 31, 2007	Feb 28, 2007	Nov 30, 2006	2007	2006		
Interest Yield									
GAAP Basis	10.43%	10.99%	10.50%	10.41%	10.27%	10.58%	10.38%		
Securitization Adjustments	14.33%	13.73%	13.69%	13.96%	13.88%	13.93%	13.96%		
Managed Basis	12.63%	12.52%	12.35%	12.25%	12.22%	12.44%	12.36%		
Net Principal Charge-off Rate									
GAAP Basis	3.90%	3.71%	3.91%	3.77%	3.95%	3.82%	3.79%		
Securitization Adjustments	4.23%	4.13%	4.46%	4.30%	4.32%	4.28%	4.31%		
Managed Basis	4.08%	3.95%	4.23%	4.05%	4.15%	4.08%	4.08%		
Delinquency Rate (over 30 days)									
GAAP Basis	3.50%	3.07%	2.94%	3.15%	3.22%	3.50%	3.22%		
Securitization Adjustments	3.92%	3.48%	3.26%	3.67%	3.76%	3.92%	3.76%		
Managed Basis	3.73%	3.30%	3.12%	3.44%	3.50%	3.73%	3.50%		
Delinquency Rate (over 90 days)									
GAAP Basis	1.63%	1.44%	1.43%	1.55%	1.53%	1.63%	1.53%		
Securitization Adjustments	1.84%	1.63%	1.58%	1.79%	1.75%	1.84%	1.75%		
Managed Basis	1.74%	1.55%	1.51%	1.68%	1.65%	1.74%	1.65%		
US CARD									
Loan Receivables									
GAAP Basis	\$20,831,117	\$19,170,450	\$19,938,986	\$19,727,837	\$20,790,244	\$20,831,117	\$20,790,244		
Securitization Adjustments	27,349,319	28,273,657	27,014,916	26,629,021	25,011,827	27,349,319	25,011,827		
Managed Basis	\$48,180,436	\$47,444,107	\$46,953,902	\$46,356,858	\$45,802,071	\$48,180,436	\$45,802,071		
Domestic Credit Card Loans									
Credit Card Loans									
GAAP Basis	\$20,579,923	\$19,078,441	\$19,849,401	\$19,636,991	\$20,694,395	\$20,579,923	\$20,694,395		
Securitization Adjustments	27,349,319	28,273,657	27,014,916	26,629,021	25,011,827	27,349,319	25,011,827		
Managed Basis	\$47,929,242	\$47,352,098	\$46,864,317	\$46,266,012	\$45,706,222	\$47,929,242	\$45,706,222		
Average Credit Card Loans									
GAAP Basis	\$19,276,203	\$19,722,180	\$18,581,153	\$21,841,166	\$19,785,248	\$19,845,880	\$19,120,946		
Securitization Adjustments	27,975,696	27,204,080	27,622,771	25,029,093	25,010,476	26,965,690	25,156,303		
Managed Basis	\$47,251,899	\$46,926,260	\$46,203,924	\$46,870,259	\$44,795,724	\$46,811,570	\$44,277,249		
Interest Yield									
GAAP Basis	10.53%	11.22%	10.72%	10.55%	10.37%	10.75%	10.50%		
Securitization Adjustments	14.45%	13.88%	13.85%	14.10%	14.04%	14.07%	14.08%		
Managed Basis	12.85%	12.76%	12.59%	12.45%	12.42%	12.66%	12.53%		
Net Principal Charge-off Rate									
GAAP Basis	3.43%	3.27%	3.51%	3.43%	3.67%	3.41%	3.64%		
Securitization Adjustments	4.13%	4.01%	4.34%	4.14%	4.23%	4.15%	4.20%		
Managed Basis	3.84%	3.70%	4.00%	3.81%	3.99%	3.84%	3.96%		
Delinquency Rate (over 30 days)	2.05%	0.0001	0.71**	0.05%	2.055	2.00%	0.074		
GAAP Basis	3.28%	2.80%	2.71%	2.97%	3.05%	3.28%	3.05%		
Securitization Adjustments Managed Basis	3.82% 3.59%	3.40% 3.16%	3.16% 2.97%	3.56% 3.31%	3.67% 3.39%	3.82% 3.59%	3.67% 3.39%		
-									
Delinquency Rate (over 90 days)	1.520/	1 2 1 0/	1 210/	1.460	1 4 401	1.520/	1 440/		
GAAP Basis	1.53%	1.31%	1.31%	1.46%	1.44%	1.53%	1.44%		
Securitization Adjustments	1.79%	1.60%	1.54%	1.75%	1.72%	1.79%	1.72%		
Managed Basis	1.68%	1.48%	1.44%	1.63%	1.59%	1.68%	1.59%		

Discover Financial Services Reconciliation of GAAP to Managed¹ (unaudited, dollars in thousands)

		Year Ended					
	Nov 30, 2007	Aug 31, 2007	May 31, 2007	Feb 28, 2007	Nov 30, 2006	2007	2006
INTERNATIONAL CARD							
Loan Receivables GAAP Basis	62 122 179	¢2 222 149	\$2,940,057	¢2 992 970	¢2.052.50C	¢2 102 170	\$2.052.50C
Securitization Adjustments	\$3,123,178 1,249,990	\$3,223,148 1,225,200	\$2,849,056 1,702,439	\$2,883,870 1,690,828	\$2,952,506 1,691,600	\$3,123,178 1,249,990	\$2,952,506 1,691,600
Managed Basis	\$4,373,168	\$4,448,348	\$4,551,495	\$4,574,698	\$4,644,106	\$4,373,168	\$4,644,106
Manageu Basis	\$4,575,108	\$4,446,346	\$4,331,493	\$4,374,098	\$4,044,100	\$4,575,108	\$4,044,100
International Credit Card Loans							
Credit Card Loans							
GAAP Basis	\$3,123,178	\$3,223,148	\$2,849,056	\$2,883,870	\$2,952,506	\$3,123,178	\$2,952,506
Securitization Adjustments	1,249,990	1,225,200	1,702,439	1,690,828	1,691,600	1,249,990	1,691,600
Managed Basis	\$4,373,168	\$4,448,348	\$4,551,495	\$4,574,698	\$4,644,106	\$4,373,168	\$4,644,106
Average Credit Card Loans							
GAAP Basis	\$3,192,184	\$2,924,110	\$2,838,312	\$2,919,421	\$2,788,260	\$2,968,163	\$2,535,349
Securitization Adjustments	1,244,374	1,590,352	1,709,344	1,688,963	1,630,969	1,558,402	1,403,948
Managed Basis	\$4,436,558	\$4,514,462	\$4,547,656	\$4,608,384	\$4,419,229	\$4,526,565	\$3,939,297
Interest Yield							
GAAP Basis	9.77%	9.42%	9.09%	9.38%	9.53%	9.42%	9.51%
Securitization Adjustments	11.75%	11.07%	11.20%	11.77%	11.41%	11.43%	11.94%
Managed Basis	10.32%	10.00%	9.89%	10.25%	10.23%	10.11%	10.38%
Net Principal Charge-off Rate							
GAAP Basis	6.70%	6.71%	6.53%	6.29%	5.88%	6.56%	4.94%
Securitization Adjustments	6.52%	6.27%	6.45%	6.72%	5.67%	6.49%	6.36%
Managed Basis	6.65%	6.56%	6.50%	6.45%	5.80%	6.54%	5.45%
Delinquency Rate (over 30 days)							
GAAP Basis	4.91%	4.63%	4.55%	4.35%	4.36%	4.91%	4.36%
Securitization Adjustments	6.09%	5.55%	4.93%	5.42%	4.96%	6.09%	4.96%
Managed Basis	5.25%	4.89%	4.69%	4.75%	4.58%	5.25%	4.58%
Delinquency Rate (over 90 days)							
GAAP Basis	2.27%	2.21%	2.24%	2.16%	2.16%	2.27%	2.16%
Securitization Adjustments	2.83%	2.51%	2.26%	2.40%	2.32%	2.83%	2.32%
Managed Basis	2.43%	2.30%	2.25%	2.25%	2.22%	2.43%	2.22%

¹ Securitization Adjustments present the effect of loan securitization by recharacterizing as securitization income the portions of the following items that relate to the securitized loans: interest income, interest expense, provision for loan losses, discount and interchange revenue and loan fee revenues. Securitization income is reported in other income.