

Discover Financial Services
Form FWP
February 06, 2017

Filed Pursuant to Rule 433

Registration No. 333-205280

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.

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|-------------------------------------|---|
| 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 |

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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. 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; (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; and (iv) Merrill Lynch, Pierce, Fenner & Smith Incorporated by calling toll-free at 1-800-294-1322.