

**DISCOVER FINANCIAL SERVICES**

	CPP Disbursement Date 03/13/2009	RSSD (Holding Company) 3846375	Number of Insured Depository Institutions 2	
<b>Selected balance and off-balance sheet items</b>	<b>2008</b> \$ millions	<b>2009</b> \$ millions	%chg from prev	
<b>Assets</b>	\$36,293	\$65,861	81.5%	
Loans	\$29,535	\$52,372	77.3%	
Construction & development	\$0	\$0		
Closed-end 1-4 family residential	\$64	\$58	-9.6%	
Home equity	\$10	\$10	0.9%	
Credit card	\$27,028	\$48,232	78.5%	
Other consumer	\$1,452	\$3,660	152.1%	
Commercial & Industrial	\$462	\$392	-15.1%	
Commercial real estate	\$0	\$0		
Unused commitments	\$199,853	\$169,114	-15.4%	
Securitization outstanding principal	\$23,360	\$0	-100.0%	
Mortgage-backed securities (GSE and private issue)	\$75	\$73	-2.2%	
Asset-backed securities	\$809	\$430	-46.8%	
Other securities	\$71	\$1,684	2277.0%	
Cash & balances due	\$5,227	\$12,585	140.8%	
<b>Residential mortgage originations</b>				
Closed-end mortgage originated for sale (quarter)	\$2	\$0	-100.0%	
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$2	\$0	-100.0%	
Open-end HELOC originations sold (quarter)	\$0	\$0		
<b>Liabilities</b>	\$32,432	\$60,603	86.9%	
Deposits	\$28,955	\$33,548	15.9%	
Total other borrowings	\$1,267	\$24,275	1815.6%	
FHLB advances	\$0	\$0		
<b>Equity</b>				
Equity capital at quarter end	\$3,861	\$5,258	36.2%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$0	\$1,552	NA	
<b>Performance Ratios</b>				
Tier 1 leverage ratio	10.9%	10.6%	--	
Tier 1 risk based capital ratio	10.7%	10.2%	--	
Total risk based capital ratio	12.1%	13.4%	--	
Return on equity <sup>1</sup>	13.1%	2.9%	--	
Return on assets <sup>1</sup>	1.4%	0.3%	--	
Net interest margin <sup>1</sup>	6.1%	5.7%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	213.7%	229.1%	--	
Loss provision to net charge-offs (qtr)	270.0%	99.6%	--	
Net charge-offs to average loans and leases <sup>1</sup>	5.0%	7.1%	--	
<sup>1</sup> Quarterly, annualized.				
	<b>Noncurrent Loans</b>		<b>Gross Charge-Offs</b>	
<b>Asset Quality (% of Total Loan Type)</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Construction & development	0.0%	0.0%	0.0%	0.0%
Closed-end 1-4 family residential	2.4%	10.0%	0.1%	0.0%
Home equity	0.0%	7.7%	0.0%	0.0%
Credit card	2.7%	3.4%	1.5%	2.0%
Other consumer	0.3%	0.4%	0.5%	0.7%
Commercial & Industrial	2.8%	5.6%	1.9%	4.6%
Commercial real estate	0.0%	0.0%	0.0%	0.0%
Total loans	2.5%	3.2%	1.4%	1.9%