

DISCOVER FINANCIAL SERVICES

	CPP Disbursement Date 03/13/2009	RSSD (Holding Company) 3846375	Number of Insured Depository Institutions 1	
Selected balance and off-balance sheet items	2009 \$ millions	2010 \$ millions	%chg from prev	
Assets	\$65,845	\$62,458	-5.1%	
Loans	\$52,356	\$53,317	1.8%	
Construction & development	\$0	\$0		
Closed-end 1-4 family residential	\$58	\$6	-89.8%	
Home equity	\$10	\$8	-16.6%	
Credit card	\$48,232	\$46,231	-4.1%	
Other consumer	\$3,660	\$6,818	86.3%	
Commercial & Industrial	\$392	\$251	-36.0%	
Commercial real estate	\$0	\$0		
Unused commitments	\$169,114	\$163,424	-3.4%	
Securitization outstanding principal	\$0	\$0		
Mortgage-backed securities (GSE and private issue)	\$73	\$9	-87.2%	
Asset-backed securities	\$430	\$924	114.7%	
Other securities	\$1,684	\$5,108	203.3%	
Cash & balances due	\$12,584	\$3,916	-68.9%	
Residential mortgage originations				
Closed-end mortgage originated for sale (quarter)	\$0	\$0		
Open-end HELOC originated for sale (quarter)	\$0	\$0		
Closed-end mortgage originations sold (quarter)	\$0	\$33		
Open-end HELOC originations sold (quarter)	\$0	\$0		
Liabilities	\$60,603	\$56,376	-7.0%	
Deposits	\$33,547	\$34,518	2.9%	
Total other borrowings	\$24,275	\$18,664	-23.1%	
FHLB advances	\$0	\$0		
Equity				
Equity capital at quarter end	\$5,243	\$6,082	16.0%	
Stock sales and transactions with parent holding company (cumulative through calendar year)	\$1,552	\$275	NA	
Performance Ratios				
Tier 1 leverage ratio	10.6%	10.1%	--	
Tier 1 risk based capital ratio	10.2%	11.3%	--	
Total risk based capital ratio	13.4%	14.9%	--	
Return on equity ¹	2.9%	27.4%	--	
Return on assets ¹	0.3%	2.7%	--	
Net interest margin ¹	5.7%	8.6%	--	
Coverage ratio ((ALL+Alloc transfer risk)/Noncurrent loans)	229.1%	275.8%	--	
Loss provision to net charge-offs (qtr)	99.6%	44.4%	--	
Net charge-offs to average loans and leases ¹	7.1%	5.9%	--	
¹ Quarterly, annualized.				
	Noncurrent Loans		Gross Charge-Offs	
Asset Quality (% of Total Loan Type)	2009	2010	2009	2010
Construction & development	0.0%	0.0%	0.0%	0.0%
Closed-end 1-4 family residential	10.0%	50.5%	0.0%	0.1%
Home equity	7.7%	5.8%	0.0%	2.0%
Credit card	3.4%	2.4%	2.0%	1.9%
Other consumer	0.4%	0.9%	0.7%	0.5%
Commercial & Industrial	5.6%	3.6%	4.6%	3.5%
Commercial real estate	0.0%	0.0%	0.0%	0.0%
Total loans	3.2%	2.2%	1.9%	1.7%