

Edgar Filing: Discover Financial Services - Form 424B2

Discover Financial Services
Form 424B2
August 01, 2016

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement and the accompanying prospectus supplement and prospectus are not offers to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion

Preliminary Pricing Supplement dated August 1, 2016

Filed under Rule 424(b)(2), Registration Statement No. 333-205280

Preliminary Pricing Supplement No. 20 - Dated Monday, August 1, 2016 (to: Prospectus dated June 26, 2015 and Prospectus Supplement Dated: September 8, 2015)

| Selling Price | Gross Concession | Net Proceeds | Coupon Type | Coupon Rate | Coupon Frequency | Day Count Basis | Maturity Date | 1st Coupon Date | 1st Coupon Amount | Survivor Option | Guarantee |
|---------------|------------------|--------------|-------------|-------------|------------------|-----------------|---------------|-----------------|-------------------|-----------------|-----------|
| 100.00 % | 1.800 % | \$ | Fixed | 3.250 % | Semi-Annual | 30/360 | 08/15/2026 | 2/15/2017 | \$16.61 | Yes | M |

Callable in whole or in part, at any time on or after 5/15/2026.

Discover Financial Services may, at its option, at any time on or after 05/15/2026, redeem these Discover Financial Services InterNotes in whole or in part, subject to 30 days' prior notice delivered to the holders of these Discover Financial Services InterNotes. These Discover Financial Services InterNotes will be redeemed in whole or in part up to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. If fewer than all of these Discover Financial Services InterNotes are to be redeemed, the Trustee will select the Notes for redemption on a pro rata basis, by lot or by such other method in accordance with the DTC's procedures. The InterNotes will be redeemed in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. If these Discover Financial Services InterNotes are redeemed in part, the prospectus supplement will state the portion to be redeemed. Unless Discover Financial Services defaults in payment of the redemption price, on and after the date on which the InterNotes or the portions of these Discover Financial Services InterNotes called for redemption are due to mature, the InterNotes or the portions of these Discover Financial Services InterNotes called for redemption will continue to accrue interest at the stated rate until they are redeemed.

Trade Date: Monday, August 8, 2016 @ 12:00 PM ET

Discover Financial Services

Settlement Date: Thursday, August 11, 2016

Discover Financial Services InterNotes

Minimum Denomination/Increments: \$1,000.00/\$1,000.00

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Initial trades settle flat and clear SDFS: DTC Book Entry only

(to: Prospectus dated June 26, 2015 and Prospectus Supplement No. 20 - Dated August 1, 2016)

Lead Manager: Incapital LLC

Supplement Dated:
September 8, 2015)

Agents: BofA Merrill Lynch, Citigroup,
Morgan Stanley, RBC Capital Markets,
Wells Fargo Advisors, LLC

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