

**Discover<sup>®</sup> Global Network Merchant Card Services are integrated into the current State Merchant Card Contract or by your current Credit Card Provider at No Additional Cost.**

**Consistent rates for Discover, MasterCard and Visa transactions.**

**Discover, MasterCard and Visa transactions are included in the same deposit and on the same monthly statement that you currently receive.**

**Provide excellent service by allowing your customers to use their preferred or required method of payment.**

June 2019



ONE low price for transactions



ONE combined monthly statement



ONE point of contact

Discover transactions are managed, reported, and priced at parity to all major card brands by your processor

ONE SOLUTION

**DISCOVER**  
GLOBAL NETWORK

## MERCHANT CARD CONTRACT

### New Account Setup

- All forms completed electronically through DocuSign
- OSC review and turnaround within 2 business days
- First Data setup time is 10-15 business days

### Clientline Setup or Changes to Existing Account

- All forms completed electronically through DocuSign
- Clientline review and turnaround within 2 business days
- Changes to existing account setup is 10-15 business days

Account Setup

**DISCOVER**<sup>®</sup>  
GLOBAL NETWORK

## Direct Banking



### U.S. Card Issuance

- \$73 billion in card receivables
- Leading cash rewards program



### Lending and Deposits

- \$45 billion in consumer deposits
- \$16 billion in personal loans and private student loans
- Home Equity Installment Loans

## Payment Services



- Accepted at 44M+ Global Merchant Locations with \$375B+ in customer spend in 2018



- \$163 billion in volume<sup>2</sup>
- 15+ network alliances



- \$34 billion in volume<sup>3</sup>
- 120+ licensees
- Accepted at 32M+ global locations
- 190 countries / territories



- \$180 billion in volume
- Approx. 4,100 Issuers
- 2.1 million ATMs in 140 countries

Balances as of December 31, 2018; pre-tax profit and volume based on the trailing four quarters ending 4Q18; direct-to-consumer deposits includes affinity deposits

1 Volume is comprised of Proprietary Network Volume and Network Partners

2 Volume is derived from data provided by licensees for Diners Club branded cards issued outside of North America and is subject to subsequent revision or amendment

Cards Issued on the Discover® Global Network provide both a global and local spend opportunity from loyal cardholders driven by the rewards they receive



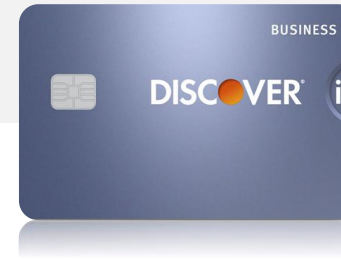
## Discover Card

- Highest in Customer Satisfaction with Credit Card Companies, 4 out of the last 5 years in a row\*<sup>1</sup>
- **11% new card accounts growth in 2018<sup>3</sup>**



## Discover Debit

- **Debit cardholders** account for **billions of dollars** in sales volume<sup>2</sup>
- **Nearly 39% volume growth** from 2017 to 2018<sup>2</sup>
- **Transactions** have **increased** by over **17 million** from 2017 to 2018<sup>3</sup>



## Discover Business

- Providing Small Businesses a way to pay for purchases with all the benefits Discover is known for
- Delivers **incremental cards in market**, boosting B2B and B2C demand



## Diners Club International®

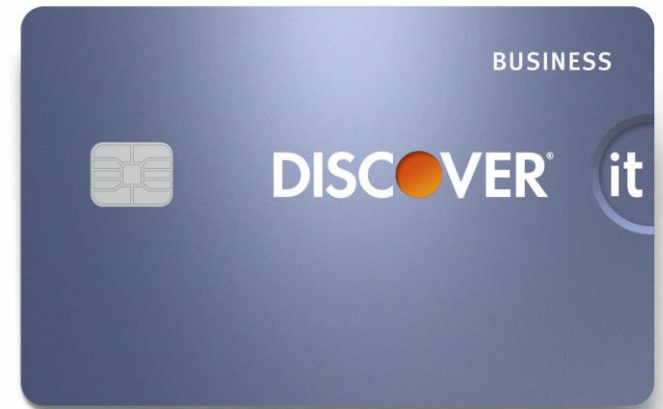
- More than 120 issuers and acquirers accepted in over 190 countries / territories
- **7% YOY transaction growth** from 2017 to 2018<sup>3</sup>

<sup>1</sup> J.D. Power 2014-2016 and 2018 Credit Card Satisfaction Studies of customers' satisfaction with their primary credit card.

<sup>2</sup> Discover Debit is issued by Discover Bank and Third Party Issuers

<sup>3</sup> Based on internal data

## The Discover® it Business Card Benefits Business Owners and Accepting Merchants



### Small Business Spending is on the Rise

- Small-business credit card purchase volume is set to balloon from \$493 billion in 2017 to \$686 billion in 2022<sup>1</sup>
- Small-business owners had an average total credit limit of \$35,291 while consumers had an average credit limit of \$18,401<sup>2</sup>



By accepting Discover and the **new Discover it® Business card**, merchants open the door to loyal business owners with serious spending power.

### Discover it® Business Card

- Unlimited 1.5% Cash Back Bonus on all purchases can incentivize card members for business purchases and may promote frequent, loyal usage
- Delivers incremental cards in market, boosting demand to merchants

<sup>1</sup> Mercator Advisory Group: "Small Business Credit Cards Have Plenty of Growth Potential in the U.S."; Blog Post, March 14, 2018.  
<sup>2</sup> Nav. "Small Business Owners Carry Twice As Many Credit Cards As Consumers." Blog Post, May 2018

Partners leverage Discover® Global Network to drive demand and volume from a wide range of customers many of whom may not have or want to use another option to pay

## Reciprocal Alliance Partners

Cardholders from some of the largest issuers in Asia have ability to spend at U.S. Merchants



**JCB**

A leader in the Japanese credit industry



**Union Pay**

China's only national credit card brand

## Global Alliance Partners

Providing Alliance Partner Cardholders the ability to spend internationally via Discover Global Network outside their host country. Partners include, but not limited to the following:



**South Korea**

Largest domestic payment network in South Korea



**India**

India's largest network



**Brazil**

Brazil's largest credit card issuer



**Turkey**

Turkey's largest card network



**Prosa**

Leading domestic payments network in Mexico



**NCCC**

Taiwan's Leading Network

## Global Scale



Accepted at **44M+** global merchant locations and **2M+** global ATMs



Processing billions of transactions annually across **190+** countries and territories

## Proven Growth



**15+** Network Alliance partnerships, **50% growth** in the last 5 years

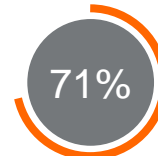


**150M+** DGN Cardholders around the Globe<sup>2</sup>, more than **doubling** the number of cardholders since 2012<sup>2</sup>



Customers spent **\$375+ billion on Discover Global Network** in 2018, an increase of 21% in the last 5 years<sup>4</sup>

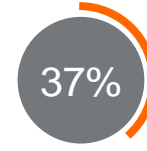
## Loyal Demand



Of primary\* cardmembers **prefer to shop** at businesses that accept Discover<sup>®3</sup>



Of primary\* cardmembers prefer to use their Discover<sup>®</sup> Card when shopping online<sup>3</sup>



Of Discover primary\* Cardmembers say they have a lower opinion of the business when they experience non-acceptance<sup>3</sup>

<sup>1</sup> Based on signed network alliance agreements over the past ten years with major payment networks within respective countries - Panoramic Research study, conducted 2018

<sup>2</sup> Discover Global Network participant reporting and RBR-Global Cards Data and Forecasts to 2023, Oct 2018

<sup>3</sup> C+R Research Study of 1,805 Discover Cardholders commissioned by DFS Services LLC and completed in January 2019

<sup>4</sup> Based on internal data



Today's shoppers demand a consistent experience — regardless of payment channel



**71%**

of primary\* Cardmembers prefer to shop at businesses that accept Discover.<sup>①</sup>



**60%**

of primary\* Discover Cardmembers look for logos and signage before walking into a store.<sup>2</sup>



**58%**

of primary\* Cardmembers have not returned to a merchant in the last month after their Discover Card was rejected.<sup>1</sup>



**64%**

of Discover Cardmembers blame the business when they experience non-acceptance.<sup>1</sup>

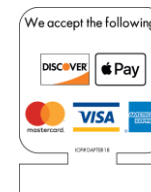
\*primary cardmembers are defined as respondents who uses discover card more than other cards

1 C+R Research Study of 1,805 Discover Cardholders commissioned by DFS Services LLC and completed in January, 2019

2 C+R Research Study of 1,845 Discover Cardholders commissioned by DFS Services LLC and completed in February, 2018

# Signage Drives Sales

- ✓ 60% of primary\* Discover® Cardholders look for logos and signs before walking into a store<sup>1</sup>
- ✓ Discover® offers free signage and supplies at [DiscoverSignage.com](https://www.discover.com/signage)
- ✓ Up to 11 pieces of signage that include the Apple Pay® logo



\* PAYMENT TYPE:    
\* CARD NUMBER:   
\* EXPIRATION DATE:

\* primary cardmembers are defined as respondents who uses discover card more than other cards  
1 C+R Research Study of 1,845 Discover Cardholders commissioned by DFS Services LLC and completed in February 2018