



Company Milestones

- 1985 Test marketing begins.**
The first purchase with a Discover card was for \$26.77 on Sept. 17, 1985, by a Sears employee from the Chicago area at a Sears store in Atlanta. Test marketing continued in Atlanta and San Diego prior to the national rollout.
- 1986 Discover card launches nationally.**
Dean Witter Financial Services Group, Inc., a subsidiary of Sears, Roebuck and Co., launched the Discover card in a national campaign highlighted by the "Dawn of Discover" television commercial during Super Bowl XX.
- 1989 Discover network signs its 1 millionth merchant: Vincente's Restaurant in Wilmington, DE.**
- 1993 Dean Witter, Discover & Co. becomes a new publicly traded company.**
Sears spins off Dean Witter Financial Services Group, Inc., on March 1, 1993, into an independent publicly traded company known as Dean Witter, Discover & Co. with the stock ticker symbol DWD.
- 1995 www.DiscoverCard.com launches.**
DiscoverCard.com went online in September 1995. Today it offers a simple way to apply for a card and it gives Cardmembers online options that let them pay bills, redeem Cashback *Bonus* rewards, receive e-mail reminders about their accounts, shop online with Secure Online Account Numbers and earn extra rewards through our online retail partners.
- Novus is born.**
In 1995, Discover Card Services, Inc. changed its name to NOVUS Services, Inc. The change to NOVUS (which means "new" in Latin) distinguished the company's expanding network functions from its flagship product, the Discover card. NOVUS Services, Inc. eventually was renamed Discover Financial Services, Inc., on Feb. 1, 1999.
- 1997 Dean Witter, Discover & Co. merges with Morgan Stanley Group, Inc.**
- 1998 Discover Platinum Card announced.**
On Dec. 22, 1998, the company announced the introduction of Discover Platinum, a premium credit card featuring new ways to increase *Cashback Bonus* rewards, low balance transfer and annual percentage rates, no annual fee, expanded credit lines and enhanced services.
- 1999 Novus Services, Inc. changes name to Discover Financial Services, Inc.**
Discover launches the Morgan Stanley Card in the United Kingdom in the company's first international expansion.
- 2000 Greenwood Trust Company becomes Discover Bank.**
Greenwood Trust Company incorporated in 1911 with its principal office in the Town of Greenwood, DE. It was acquired in 1985 by Allstate Enterprises, Inc., a subsidiary of Sears, Roebuck and Co., which became Sears Consumer Financial Corporation and subsequently, NOVUS Credit Services, Inc. Greenwood Trust's name was changed to Discover Bank on Aug. 1, 2000.
- 2002 Discover card launches the industry's first keychain credit card.**
The Discover 2GO Card folded into a protective case and had a magnetic strip that could be swiped like any other card. It was recognized as one of the "Best Products of 2002" by editors and reporters from *Business Week* and *USA Today*. The card also won the Best Financial Card Design award and People's Choice award at the International Card Manufacturers Association's 11th Annual Card Manufacturing Expo in October 2002.

2003 Discover Gift cards introduced.

The launch of the Discover gift card, a prepaid stored value card, was announced on Oct. 15, 2003. Discover gift cards can be redeemed wherever Discover Network cards are accepted. They can be ordered with personalized embossing and include a greeting card.

Discover Network expands acceptance into Mexico.

Miles and gas rewards cards introduced.

The Gasoline Card (renamed to Discover Open Road in 2007) earned Cardmembers up to a 5 percent *Cashback Bonus* award on gas purchases. The Miles Card by Discover card (renamed to Miles by Discover in 2007) allowed redemption with as little as 2,500 miles for non-flight reward options including hotel stays, car rentals, vacation packages, brand-name merchandise and gift certificates.

Paperless statements introduced.

2004 Landmark U.S. Department of Justice antitrust lawsuit resolved.

The resolution of the U.S. Department of Justice lawsuit against Visa and MasterCard for anticompetitive practices cleared the way for financial institutions to issue cards on the Discover network. The ruling frees financial institutions to issue payment cards on competing networks, opening the door to increased payment card choices for issuers, merchants and consumers.

2005 DFS acquires PULSE payments network.

This acquisition enabled PULSE and its more than 4,000 member banks, credit unions and savings institutions to join with the Discover network and its 4 million merchant and cash access locations. The combined entity provides financial institutions of every size and type with a full-service debit platform and a comprehensive set of products, including credit, signature debit, PIN debit, gift card, stored value card and ATM services.

Discover signs agreement with Wal-Mart and GE Consumer Finance to issue Wal-Mart Discover credit card on Discover network.

11th-largest bankcard issuer in the U.S. agrees to issue Discover network cards.

Discover Financial Services and Metris Companies, Inc., the Eleventh-largest bankcard issuer in the U.S., announce on Sept. 19, 2005, agreement under which Metris will launch a new credit card on the Discover network. The agreement marks an important step in Discover network's strategy of supporting multiple issuers and products while bringing more choice and value to merchants, issuers and consumers. Metris was acquired by HSBC on Dec. 1, 2005.

First China UnionPay card transaction in the U.S.

On Dec. 5, 2005, Liu Tinghuan, chairman of China UnionPay, and Su Ning, deputy governor of the People's Bank of China, purchased a necktie in New York with a card issued in China, marking the first acceptance of a China UnionPay bankcard in the United States. This transaction marked the beginning of a strategic alliance between China UnionPay and Discover Financial Services for reciprocal card acceptance that also enables the acceptance of Discover network cards at more than 480,000 merchant locations and 90,000 ATMs across China. China UnionPay is China's only national bankcard payment network.

2006 Discover Financial Services completed acquisition of major U.K. card issuer.

In 2006, Discover Financial Services acquired Goldfish, a leading rewards card issuer in the United Kingdom with 2 million cardmembers across its portfolio. Discover sold its Goldfish portfolio in March 2008 to U.K.-based Barclays Bank PLC.

First Discover network card transaction in China.

Commemorating a major milestone in Discover network's reciprocal card acceptance agreement with China UnionPay, David Nelms, Discover Financial Services CEO, purchases a bronze horse with his Discover card on Nov. 8, 2006, marking the first transaction using a Discover network card in China. This successful transaction helped open new opportunities for commerce between the growing number of American travelers to China and Chinese merchants by enabling

cardholders to use their Discover network cards to more than 480,000 merchant locations and 90,000 ATMs across China. China UnionPay is China's only national bankcard payment network.

Discover and largest card issuer in Japan sign reciprocal card acceptance agreement.

Discover Financial Services announced on Aug. 23, 2006, its reciprocal card acceptance agreement with JCB, the largest card issuer and acquirer in Japan, which helps lead to increased card acceptance for both companies. As part of this strategic relationship, Discover network and JCB will facilitate the acceptance of JCB cards on Discover network in the U.S., and of Discover network cards on the JCB network in Japan, and acceptance of PULSE cards at selected ATMs in Japan.

Discover joins industry effort to form security standards.

Discover network unites with Visa, MasterCard, American Express and JCB to form the Payment Card Industry (PCI) Security Standards Council, which was designed to manage the ongoing evolution of the PCI data security standard. The standard improves payment account security throughout the transaction process. The founding of the PCI Security Standards Council LLC, marked a significant milestone in the payment industry's effort to secure payment account data in a globally consistent manner. The implementation of this standard means that more than a billion global payment card users will benefit from a higher level of security protection against data theft and fraud.

Discover Debit launches.

On Feb. 13, 2006, Discover Financial Services became the first credit card services company to compete directly with Visa and MasterCard in the rapidly growing signature debit market. Discover Debit was the first new signature debit program to be offered to financial institutions since the resolution of the Department of Justice antitrust case in October 2004.

Discover Business card launches.

Discover Financial Services launched the Discover Business card in June 2006 as a single payment solution for small business owners. The card offers 5 percent *Cashback Bonus* on office supplies, 2 percent on gasoline and up to 1 percent on all other purchases. It comes with detailed quarterly and annual statements.

Discover signs its first merchant acquiring agreement.

On July 14, 2006, Discover Financial Services and First Data Corp., a global leader in electronic commerce and payment services, announced that First Data would offer Discover network card acceptance as part of an integrated service to small- and medium-sized merchants. First Data became the first of many industry-leading acquirers to sign agreements to begin offering Discover network card services to small- and mid-sized merchants as part of Discover network's strategic initiative to increase acceptance of Discover network cards and promote a broader range of payment options at the point of sale.

Discover Small Business Watch survey introduced.

The Discover Small Business Watch was unveiled in August 2006 as a monthly index measuring the relative economic confidence of U.S. small business owners who employ less than five people, a segment that consists of 22 million businesses producing more than \$1 trillion in annual receipts. The Watch is based on a national random survey of 1,000 small business owners. It is commissioned by the Discover Business card and is conducted by Rasmussen Reports, LLC, an independent survey research firm.

Discover network card acceptance begins in Central America.

Morgan Stanley announces Discover spin-off.

During a fourth quarter earnings report on Dec. 19, 2006 Morgan Stanley CEO John J. Mack announced that Morgan Stanley would spin-off Discover Financial Services into an independent publicly traded company in the third quarter of 2007.

2007 Discover Financial Services begins trading on the NYSE as DFS.

Discover Financial Services began trading on the NYSE for the first time as an independent company on Monday, July 2, 2007. Discover was welcomed to the Exchange a few days earlier in a ceremony that included the ringing of the ceremonial opening bell by CEO David Nelms.

More than 12 million cardmembers now registered on www.discovercard.com

New Discover Motiva card makes industry breakthrough as first to offer card rewards for good credit management.

On March 13, 2007, Discover announced the launch of the Discover Motiva card, the credit card that gives consumers cash rewards for good credit management. The card features a Pay-On-Time Bonus for cardmembers who make on-time monthly payments six times in a row.

Discover More card replaces Discover Platinum card.

The Discover More card, previously known as the Discover Platinum card, was introduced in April 2007 for consumers who use credit in many different categories and want more ways to earn cash on their purchases.

Discover Gas card re-introduced as the Discover Open Road card.

Miles by Discover card re-introduced with new features.

Discover Business Miles card launches.

In April 2007, Discover launched its new Discover Business Miles Card, which gives small business owners a way to earn miles faster and travel without blackout dates.

Discover commissions consumer spending survey.

On July 18, 2007, Discover released the results of a new monthly index – The Discover Spending Confidence Monitor – that queries about 15,000 adult consumers every month on their spending intentions and capacity. The survey is conducted by Rasmussen Reports, LLC, an independent survey research firm.

2008 Discover acquires Diners Club International

The acquisition of Diners Club International in July 2008 put Discover on the path to global acceptance. The integration of the Discover network with the Diners Club network allows Discover network cardholders to use their cards around the world. In turn, Diners Club cardholders could use their cards on the Discover network in North America. Established in 1950, Diners Club International is credited with creating the first multipurpose charge card in the world.

Discover offers a biodegradable card

In December, Discover started offering the only biodegradable consumer credit card in the market for consumers who want to help protect the environment. The card is made of biodegradable PVC, a substance that allows 99 percent of the card plastic to be safely absorbed when exposed to landfill conditions. Breakdown of the plastic begins whenever microorganisms are present – such as soil, water or compost – and takes about 5 years.

Discover wins \$2.75 billion in damages to settle antitrust lawsuit against Visa and MasterCard

Discover sued Visa and MasterCard in 2004, seeking damages for imposing rules that prohibited their member banks from issuing credit and debit cards over the Discover network. The suit was filed shortly after the Supreme Court let stand a lower-court antitrust ruling that forced Visa and MasterCard to allow their member banks to issue credit cards on rival networks. Discover received \$2.75 billion in the October 2008 settlement. It was the third largest reported antitrust settlement in U.S. history.

2009

Discover introduces the Spend Analyzer tool

In February, Discover introduced the Spend Analyzer, an innovative, easy-to-use online tool that provides cardmembers with a visual representation of their Discover card purchases. The graph is divided into useful categories such as travel, supermarkets and gas. For greater detail on their spending habits, cardmembers are able to drill down through the data, to analyze up to 24 months of account activity.

Discover launches www.ItPaysToDiscover.com

Discover launched a new interactive website in November: [ItPaysToDiscover.com](http://www.ItPaysToDiscover.com). The site combines all of the ways that cardmembers can maximize their *Cashback Bonus* rewards.

iPhone app available to Discover cardmembers

In November, Discover introduced its Discover app for iPhone and iPod Touch users, which allows cardmembers to manage their accounts on the go. Registered Discover.com users login using their user ID and password to view recent activity, make payments and view their rewards .

2010

Alliance with Korea's BCard adds network volume

Discover announced in January a network-to-network alliance with BCard, a leading Korean payments network. Through the agreement, Discover receives increased transaction volume from BCard cardholder acceptance on the Discover, Diners Club International and PULSE networks; and BCard holders get the ability to use their cards outside of Korea on those networks.

CardBuilder tool unveiled

CardBuilder, an interactive tool that helps prospective cardmembers build their own card, launched in early 2010. Applicants select certain terms, rewards preferences and card design based on how they plan to use their Discover cards.

Discover takes over Orange Bowl sponsorship

Discover announced an agreement in August with the Orange Bowl Committee and ESPN for Discover to be the title sponsor of the 2011-2014 Orange Bowl games, including the 2013 BCS National Championship.

Discover acquires major originator of student loans

On Sept. 17, Discover announced its intention to acquire The Student Loan Corporation, including \$4.2 billion of private student loans and other assets, expanding Discover's market presence and origination capabilities in private student loans. The acquisition was completed December 31, 2010.

Discover signs strategic partnership with Isis to build nationwide mobile payment network.

Discover and Isis announced a strategic partnership to build a mobile payment network that utilizes mobile phones to make point-of-sale purchases. Isis will leverage the Discover Financial Services payment network – specifically the Discover network Zip solution - along with smartphone and near-field communication (NFC) technology, to modernize the payments process fundamentally changing how people pay, shop and save.