




**Discover Financial Services**

**DFS NYSE**

**Consumer Financial Services**

Market Capitalization USD: **\$12,608.67 mm**

**CONCERN LEVEL: LOW**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: David W. Nelms**

**Age: 51 CEO Since: 2004**

	2009	2010	2011
<b>Base Salary</b>	\$1,000,000	\$4,550,000	\$1,000,000
<b>Discretionary Bonus</b>	\$0	\$1,700,000	\$0
<b>Annual Cash Incentive</b>	\$0	\$0	\$3,225,000
<b>Benefits and Perquisites</b>	\$17,150	\$17,150	\$17,150
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,017,150</b>	<b>\$6,267,150</b>	<b>\$4,242,150</b>
<b>Increase in Post-Retirement Benefits</b>	\$39,750	\$10,775	\$19,950
<b>Stock Option Awards</b>	\$0	\$0	\$0
<b>Stock Awards</b>	\$3,325,000	\$2,274,996	\$9,628,196
<b>TOTAL COMPENSATION</b>	<b>\$5,684,513</b>	<b>\$8,552,921</b>	<b>\$13,890,296</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$3,452,787	\$4,175,384	\$5,725,262
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$810,767
<b>Value Realized on Vesting of Stock</b>	\$4,254,063	\$3,780,430	\$4,823,960
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$4,254,063</b>	<b>\$3,780,430</b>	<b>\$5,634,727</b>

**Proxy Date: 24 Feb 2012 Annual Meeting Date: 18 Apr 2012 Equity Reserves: 7.15% Stock Option Run Rate: 0.00%**

# Discover Financial Services

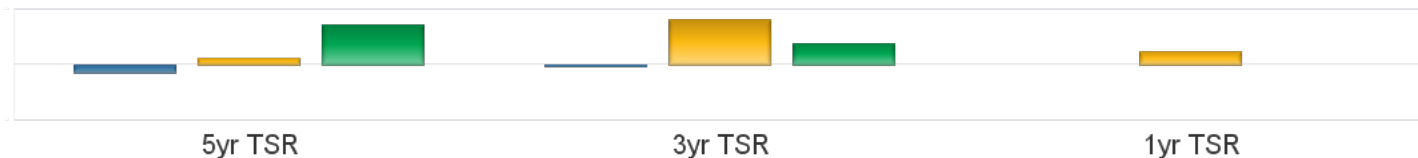
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## Performance Comparison

■ S&P500 ■ Industry ■ DFS



## Peer Comparisons (TRBC) = Financials

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
<b>DFS</b>	<b>Discover Financial Services</b>	<b>\$5,684,513</b>	<b>\$8,552,921</b>	<b>\$13,890,296</b>	<b>\$12,608,674,844</b>
NTRS	Northern Trust Corporation	\$11,891,070	\$12,760,081	\$14,305,400	\$8,469,182,385
GGP	General Growth Properties, Inc.	\$4,715,444	\$53,275,790	\$8,731,398	\$11,353,261,749
KIM	Kimco Realty Corporation	\$1,824,572	\$2,381,272	\$4,033,226	\$6,116,955,001
NYB	New York Community Bancorp, Inc.	\$4,941,133	\$5,600,683		\$5,205,377,313
PBCT	People's United Financial, Inc.	\$4,036,842	\$2,877,203	\$3,750,051	\$4,292,148,130
PFG	Principal Financial Group, Inc.	\$4,909,023	\$8,246,982		\$7,106,497,859

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

American Express Company, Comerica Incorporated, Genworth Financial, Inc., Regions Financial Corporation, Ameriprise Financial, Inc., Fidelity National Information Services, Inc., Key Corp, SLM Corporation, Capital One Financial Corporation, Fifth Third Bancorp, M&T Bank Corporation, Visa Inc., CIT Group Inc., Fiserv, Inc., MasterCard Incorporated, The Western Union Company.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Gregory C. Case	Chairman	49	Male	5	Outside
Jeffrey S. Aronin	Member	44	Male	5	Outside
Richard H. Lennv	Member	60	Male	3	Outside
Robert M. Devlin	Member	70	Male	5	Outside

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