

Discover Debit – Debit that's here for you®

Brian Harbin

Senior Manager, Business Development

Discover's Greatest Asset is our People



“We create products and services to help grow your debit business. When you are successful, we are successful.”

—Dave Schneider, SVP Discover Payment Services, PULSE President

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“The support and intellectual capital we get from the Discover team is first-rate. We are a small operation, so we get great value from the resources, industry information and access to experts when we need them.”

—Discover Debit participant



The Role of a Debit Brand



Assessing your current relationship may generate opportunities to:



Improve partnership and support



Increase revenue



Reduce expenses



Add services and capabilities



Promote your card through additional marketing programs

Trusted Partnership

Discover Debit is built around giving you the capabilities and service to create a successful debit program.



Your People



Your Cardholders



Your Time



Your Money

Dedicated Support

We put a team in place to be with you every step of the way in creating and growing a successful debit program.

Consistent Engagement

We keep your cardholders at the top of our mind so your card can stay at the top of their wallet.

Simplicity and Flexibility

Our simplified and transparent billing structure means that your employees spend less time on paperwork and more time on tasks that matter.

Superior Net Economics

Our easy to understand All-in-Program Fee structure delivers competitive interchange and reduced expenses allowing you to keep more of your non-interest fee income.

Your People – Dedicated Support

We focus on meeting your specific needs, enabling a smooth implementation process and building market awareness for high cardholder satisfaction.



Dedicated Account Executive assigned to you



Client Project Manager through all stages of implementation



Marketing Consultant to provide best practices and campaigns for penetration, activation, and usage



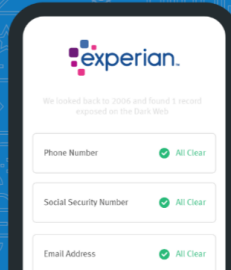
Acceptance resources to optimize cardholder experience

Your Cardholders – Consistent Engagement

We keep your cardholders at the top of our mind, so your card stays at the top of their wallet.

Staying ahead of fraud just got easier.

Enroll in **free** dark web and credit monitoring.



Enhanced Benefits Backed by Experian®

When it comes to fighting fraud and building smart financial habits, we have the resources to support your cardholders.

- ✓ FICO® Score
- ✓ Dark Web Monitoring
- ✓ Credit Monitoring

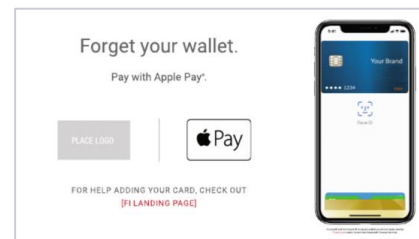
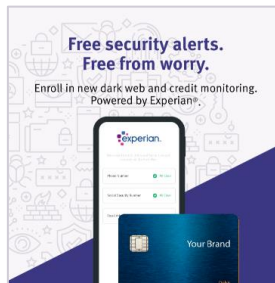
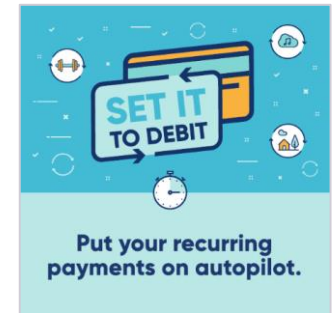
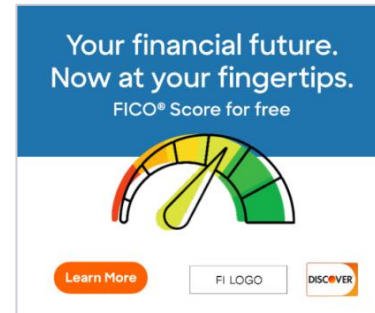
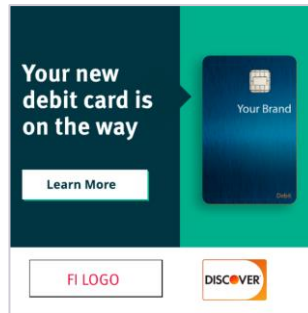
Business Program Benefits

By opening a business account, cardholders will have unlimited access to business and financial management assistance through professional consulting services.

- ✓ Attorney On Call
- ✓ Human Resource Consultant

Your Cardholders – Driving Debit Program Performance

We help support debit goals, drive cardholder confidence, and promote cardholder loyalty through our ready-made, customizable marketing campaigns.

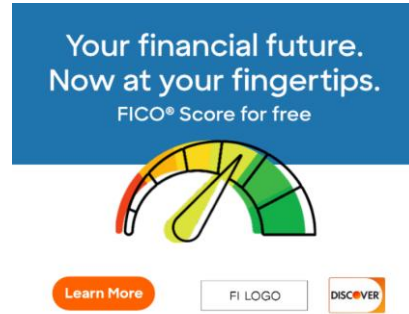


2023 Marketing Calendar

Develop a customized lifecycle debit marketing strategy to generate awareness of Discover Debit benefits and increase cardholder usage.



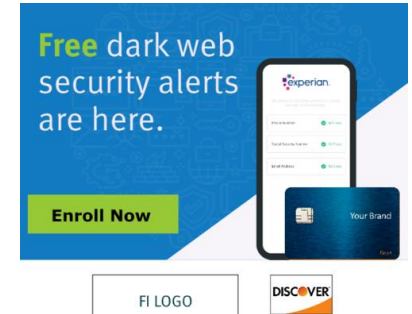
1Q



2Q



3Q



4Q

Your Time – Simplicity and Flexibility

Our straightforward billing framework means that your employees spend less time on paperwork and more time on tasks that matter.



Easy to understand rules



Simple fee structure



Manageable reconciliation through one monthly invoice



No requirement to submit periodic reporting

Sample Invoice

Simple & Transparent Program Fees

Legacy providers continue to impose mandates and add fees. Discover® Debit's uncomplicated, low fee structure maintains a clear, predictable and steady **economic advantage for you.**



Easy to Understand



Easy to Reconcile



All-in Program (AIP) Fee



Typically, our invoice is only one page, front and back.

FI NAME
FI ADDRESS

Account Summary

Invoice Date 6/19/2018
Invoice Period 05/01/2018-05/31/2018
Invoice Number 123456789
Customer ID 000000
Acct Manager: Jennifer Matte
Phone 1-877-433-3248

Current Month Charges

General Fees (GF) \$56,831.90
Pass Thru Fees (PT) \$0.00
Tax \$0.00
Total Amount Due

PAYMENT DUE DATE

Payment note: ACH to occur on June 19, 2018 or next business day

Auto Debit

Customer Product ID
NEW CHARGES

Product ID	Product Description	Type	Description	Comments
	All-in Program Fee	GF		
Unit	Unit Price	Subtotal	Tax	Total
22,000,000.00	\$0.00255	\$56,100.00	0	\$56,100.00

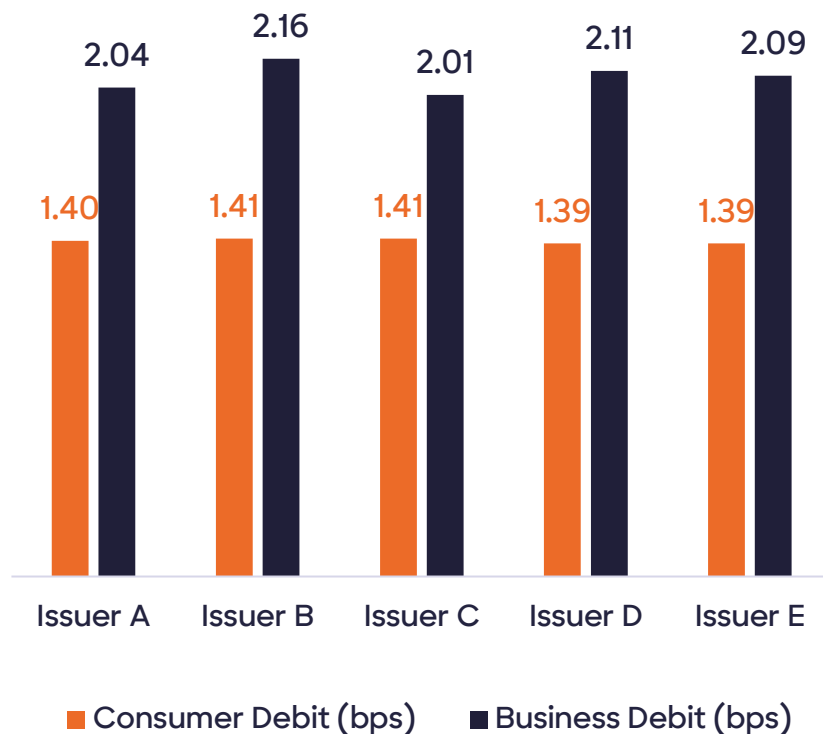
Product ID	Product Description	Type	Description	Comments
	Cash in-Lobby Per item	GF		
Unit	Unit Price	Subtotal	Tax	Total
50	\$1.70000	\$85.00	\$0	\$85.00

Product ID	Product Description	Type	Description	Comments
	Cash in-Lobby Per Dollar Sales	GF		
Unit	Unit Price	Subtotal	Tax	Total
\$500	\$0.0018	\$0.90	\$0	\$0.90



Your Money – Superior Net Economics

Recent Sample of Issuer Interchange Performance (%)¹



1. Discover® Financial Services, LLC Q1 2022 Network Partners Report.



We make participation in the PULSE® Network an optional choice for issuers.



We deliver higher interchange and charge lower fees, enabling you to invest in your cardholders and keep more of your non-interest fee income.



We identify industry trends to help maximize your net earnings and optimize your portfolio.

Discover Debit Sample Comparison

Projected Economic Benefit of Discover Debit

Projected 5-year Term Portfolio Snapshot

	Discover® Debit Portfolio	V/MC Debit Portfolio	Difference
Spend ¹	\$451,209,786	\$451,209,786	\$0.00
Gross Interchange ²	\$6,637,296	\$6,064,260	\$573,036
Network Fees ³	\$1,037,783	\$1,308,508	(\$270,725)
Projected Net Economic Benefit ⁴	\$5,599,513	\$4,755,751	\$843,761 (\$14,062 monthly)

1. Sample 10,000 card portfolio

2. Discover Debit Gross Interchange sourced from PULSE Debit Dashboard. Visa® / Mastercard® (V/MC) Debit interchange can be sourced from Fed Issuer Studies.

3. Network Fees Source– Discover Debit fees as proposed. V/MC portfolio fees based on industry knowledge and input as reported from prospect.

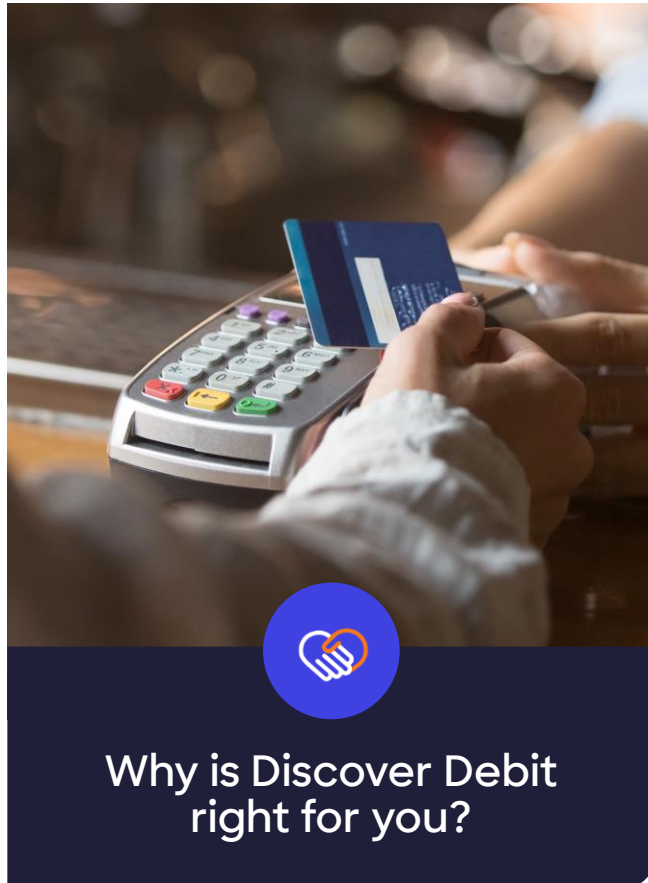
4. Actual values may vary from these economic benefits.

Projected Economic Benefit of Discover Debit

Discover Debit Advantage Input Page

Discover Debit Inputs	
Sales Rep	Brian Harbin
FI Name	Sample Bank
Institution Type	Bank
Proposed Term	5
Proposed Growth Rate	5%
Proposed Upfront Incentive	\$0
Discover Debit AIPF	0.0023
Discover Debit Consumer Interchange Rate	1.400%
Discover Debit Business Interchange Rate	2.110%
Percentage of GDV that is Business Debit	10%
Current Brand Affiliation (Visa or MasterCard)	Visa
Current Brand Consumer Interchange	1.250%
Current Brand Business Interchange	2.190%
Current Brand Fees	0.0029
Mandated Affiliated Network	PAVD
Mandated Affiliated Network Fees	\$0.100
First Year Gross Sales Volume	\$ 81,657,600
Mandated Network POS Transaction Volume	10,000
Unaffiliated PIN POS Network Issuer Switch Fee	\$ 0.0400
Visa Pricing	
Visa Consumer Interchange Rate	1.250%
Visa Business Interchange Rate	2.190%
Visa Estimated Fees	0.0029
PAVD Interlink Switch Fees	\$ 0.100
MasterCard Pricing	
MasterCard Consumer Interchange Rate	1.230%
MasterCard Business Interchange Rate	2.200%
MasterCard Estimated Fees	0.0032
Maestro Switch Fees	\$ 0.070

Discover – The Right Partner for Debit



Support Throughout the Life of Your Program

We focus on your specific needs, enabling a smooth implementation process, building market awareness, and keeping your cardholder's overall experience our priority.



Cardholder Benefits with Marketing Support

Our brand provides valuable benefits to your consumer and business cardholders, at no cost to you.



Simplicity and Transparency

Our uncomplicated fee structure and easy-to-understand rules can save you and your team time.



Superior Net Economics

Our highly competitive interchange and low, transparent fee structure can enable you to invest in your cardholders.

Questions?