

Discover Financial Services
Form 424B2
August 15, 2016

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities Offered | Maximum Aggregate Offering Price | Amount of Registration Fee ⁽¹⁾ |
|--|-------------------------------------|--|
| 3.500 % Discover Financial Services InterNotes Due August 15, 2028 | \$4,715,000 | 474.81 |

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

Pricing Supplement dated August 15, 2016

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

Pricing Supplement No. 21 - Dated Monday, August 15, 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 |
|---------------|------------------|----------------|-------------|-------------|------------------|-----------------|---------------|-----------------|-------------------|-----------------|
| 100.00 % | 2.000 % | \$4,620,700.00 | Fixed | 3.500 % | Semi-Annual | 30/360 | 08/15/2028 | 2/15/2017 | \$17.21 | Yes |

Callable in whole or in part, at any time on or after 5/15/2028.

Discover Financial Services may, at its option, at any time on or after 05/15/2028, redeem these Discover Financial Services InterNotes in whole or in part, upon the receipt of written notice delivered to the holders of these Discover Financial Services InterNotes. These Discover Financial Services InterNotes will be redeemed at the face value of the 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 notes will be redeemed on a pro rata basis, by lot or by such other method in accordance with the DTC's procedures. These Discover Financial Services InterNotes have a minimum denomination of \$1,000 and integral multiples of \$1,000 in excess thereof. If these Discover Financial Services InterNotes are to be redeemed in part on or after the redemption date, interest will be paid on the amount redeemed. Unless Discover Financial Services defaults in payment of the redemption price, on and after the redemption date, interest will be paid on the amount of the InterNotes or the portions of these Discover Financial Services InterNotes called for redemption.

Trade Date: Monday, August 15, 2016 @
12:00 PM ET

Discover Financial Services

Settlement Date: Thursday, August 18,
2016

Discover Financial Services
InterNotes

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

Pricing Supplement No. 21 -
Dated

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

Monday, August 15, 2016

Lead Manager: Incapital LLC

(to: Prospectus dated June 26,
2015 and Prospectus
Supplement Dated:
September 8, 2015)

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

Legal Matters

In the opinion of Sidley Austin LLP, as counsel to Discover Financial Services (the Company), when the notes offered by this pricing supplement have been executed and issued by the Company and authenticated by the trustee pursuant to the indenture, and delivered against payment as contemplated herein, such notes will be valid and binding obligations of the Company, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, concepts of reasonableness and equitable principles of general applicability (including, without limitation, concepts of good faith, fair dealing and the lack of bad faith), provided that such counsel expresses no opinion as to the effect of fraudulent conveyance, fraudulent transfer or similar provision of applicable law on the conclusions expressed above. This opinion is given as of the date hereof and is limited to the laws of the State of New York and the General Corporation Law of the State of Delaware as in effect on the date hereof. In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and the genuineness of signatures and certain factual matters, all as stated in the letter of such counsel dated September 8, 2015, which has been filed as an exhibit to a Current Report on Form 8-K filed by the Company on September 8, 2015.

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