

December 21, 2016

InterNotes

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

Pricing Supplement No. 32 -
Dated Friday, December 16,
2016

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

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

Lead Manager: Incapital LLC

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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