

# Welcome to Discover<sup>®</sup> Global Network

A world of possibilities for your business and your customers

**DISCOVER<sup>®</sup>**  
Global Network

# A closer look at Discover<sup>®</sup> Financial Services



# Discover Financial Services

A Fortune 300 company that delivers a full range of innovative banking and payments solutions

## Direct banking



Credit card products



Consumer loans



Consumer deposit products

**Discover  
Financial  
Services**

## Discover® Global Network



Discover® Network



Diners Club International®



PULSE®

# What our direct banking delivers





# Consumer loans for getting the most out of life



## Student Loans

**\$10B** in loans;  
offered at  
2,400+ colleges<sup>1</sup>



## Home Loans

**\$2B** in mortgages;  
cash out refinance<sup>1</sup>



## Personal Loans

**\$7B** in loans;<sup>1</sup> **14+** years  
experience in  
personal loan industry;<sup>1</sup>  
helped **2M+** people  
reach their goals<sup>1</sup>

# Deposit accounts that make it easier to do more



\$63 billion in direct-to-consumer deposits<sup>1</sup>

## Simple Account Opening

Straightforward products offer simple step-by-step account opening process for customers, as well as an online security guarantee

## Financial Flexibility

Multiple products offer customers the financial flexibility to meet their needs while simultaneously maintaining the highest level of customer service

## Access Accounts Anywhere

Direct-to-consumer model provides multiple channels (web, mobile, IVR and phone) for customers to access their accounts and get the most out of the offered features and functionality

# Discover® Card brings plenty to the table



Provides cards for **consumers, corporations and students**



Ranked highest in **brand loyalty** in the credit card category 26 years in a row<sup>1</sup>



Features **no annual fee, no foreign transaction fees and cashback match**



Loyalty driven by **stellar cash rewards program**—1% on all transactions and select 5% cash back

**67%**

of primary cardholders **prefer to shop at businesses that accept Discover® Card**<sup>1</sup>

**40%**

of Discover Cardholders\* **changed merchant or spend behavior** when traveling internationally if their **payment type was not accepted**<sup>1</sup>

**11%**

increase in cards in force YOY<sup>2</sup>

**26%**

increase in unique cardholder spend<sup>2</sup>

\* Discover Cardholders who have traveled internationally in the past 24 months.

<sup>1</sup>C•R Research Study of 1,805 Discover Cardholders commissioned by DFS Services LLC and completed in February 2022. <sup>2</sup>Internal DFS Data 2021.

# Why Discover<sup>®</sup> Global Network





# The Discover® Global Network ecosystem



**Discover Network** processes billions of transactions annually and has established partnerships across the industry to power payments globally

**Acquisition of PULSE®** opened access to ATMs around the U.S. and banks that issue Discover® Debit



**Acquisition of Diners Club International®** made it possible for Discover to go global for the first time



# PULSE®: Experts in debit. Believers in service.



Serves **~3,700**  
institutions in  
the U.S.



Focused  
on Debit for  
**40 years**



Offers Debit  
education  
and service



**\$245B+** in  
volume



Processed  
**4.8B** transactions  
in 2019



Provides cash access at  
**1.8M+** ATMs worldwide



**18%**  
volume  
YOY

# Diners Club International® takes us around the world



## A legacy of firsts

First multipurpose charge card, first internationally accepted charge card, first multinational corporate card program



## Cardholder privileges

Exclusive access to 1,300+ airport lounges in over 600+ cities



## Desirable demographics

Affluent, high-spending consumers, including young professionals and Millennials



## Exceptional reputation

Aspirational, premium brand trusted by consumers




17%

increase in volume vs prior year<sup>1</sup>

# Payment services that open new doors

280M+   
cardholders around the globe<sup>1</sup>

 \$500B+  
in customer spend

25+   
Network Alliance partners

  
FASTEST GROWING  
GLOBAL PAYMENTS NETWORK<sup>2</sup>

60M+   
global merchant locations

200+   
countries and territories

1.8M+   
ATMs in 200 countries and territories

 67%  
increase in Discover® Global Network volume growth from 2010–2019

<sup>1</sup>Discover Global Network participant reporting and RBR–Global Cards Data and Forecasts to 2025, Oct 2020.

<sup>2</sup>Based on signed network alliance agreements over the past twelve years with major payment networks within respective countries–Panoramic Research study, conducted 2020.



# Impressive gains across the board



**28%**  
volume  
growth<sup>1</sup>



**26%**  
unique  
cardholder  
spend growth<sup>1</sup>



**24%**  
transaction  
growth<sup>1</sup>



**100%+**  
card in force  
growth<sup>1</sup>

# E-commerce continues to climb



**25%**  
volume  
growth<sup>1</sup>



**24%**  
unique  
cardholder  
spend growth<sup>1</sup>



**18%**  
transaction  
growth<sup>1</sup>

# Our partnership strategy



## Ever-expanding global presence

Ongoing addition of Network Alliance partners over the past 15 years continually boosts international growth



## Greater in-market transaction volumes

Diners Club International® franchise banks spur high-end spending and cross-border spend in countries around the world



## Network Alliances allow partners to go international quickly and easily

- In-country transactions run on domestic network
- Out-of-country transactions—both online and point-of-sale leverage Discover® Global Network for immediate scalability

# Ensuring transactions flow smoothly



## A look at who is who

### Network

A Network acts as an intermediary between an acquirer and an issuer to authorize and clear credit card transactions. Networks set policies, rules and pricing

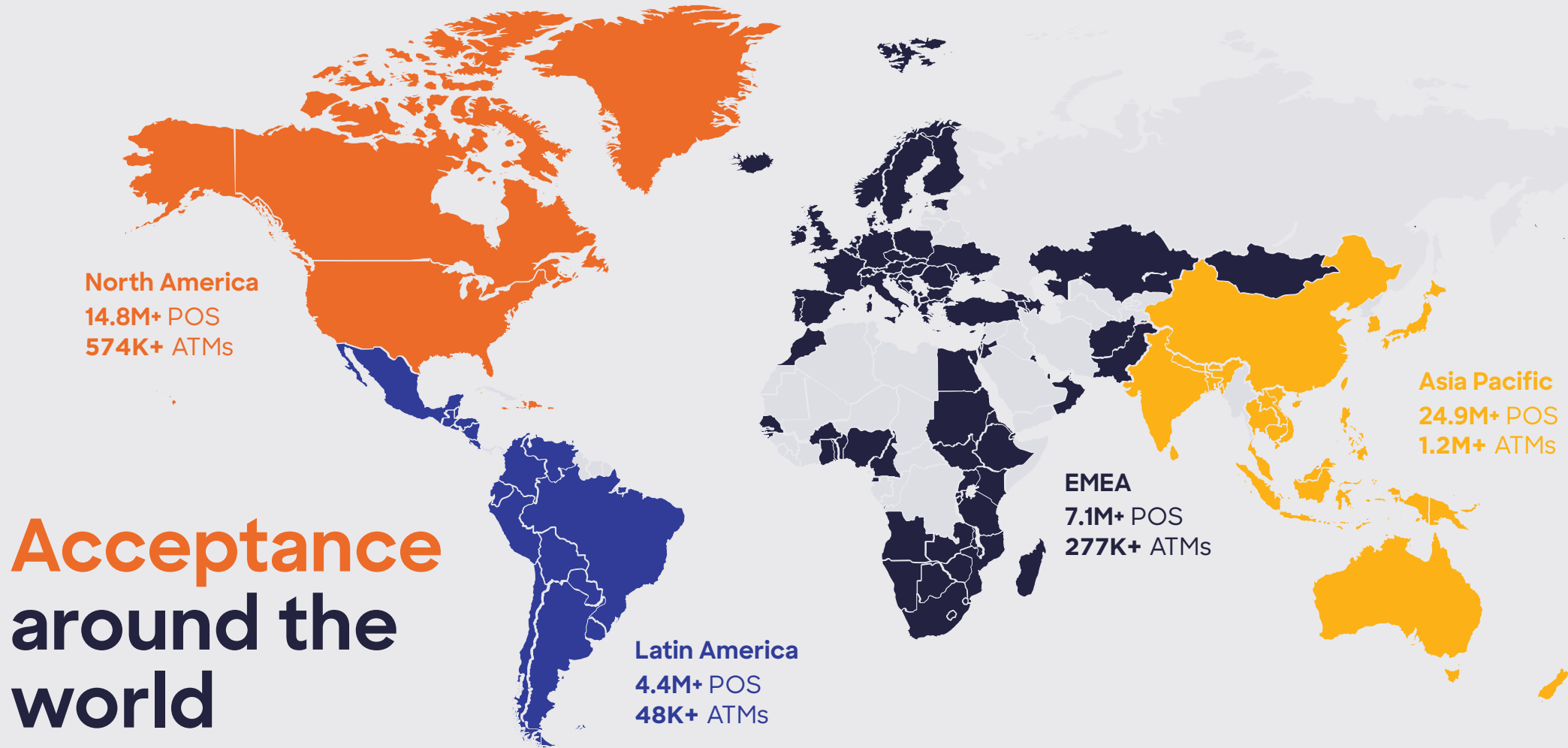
### Issuer

A financial institution, bank, credit union or company that issues, or helps issue cards to cardholders

### Acquirer

An institution that processes and settles a merchant's daily credit card transactions, and then in turn settles those transactions with the card issuer/association





# Acceptance around the world

<sup>1</sup>Internal Data; Totals reflect number of merchant outlets accepting through December 2020.

# Supporting issuers **around** **the globe**

## Discover® Card

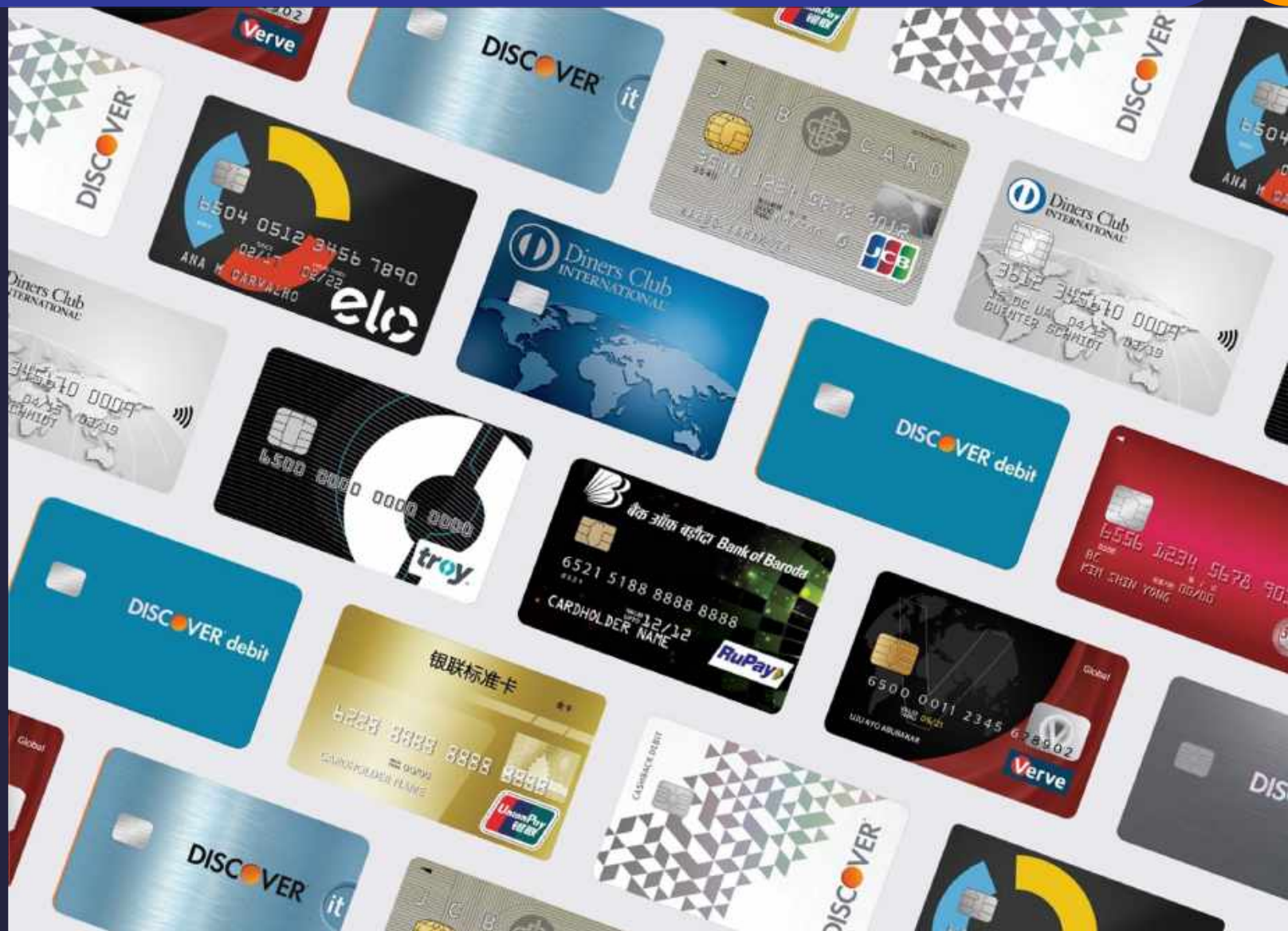
U.S. card issuer featuring a loyal cardmember base and industry-leading cash rewards program

## Diners Club International®

A leading card brand with \$24B in volume<sup>1</sup>

## Network Alliance partners

Strategic partnerships with 25+ local issuers and networks in China, Japan, India, Brazil and more



<sup>1</sup>Volume is derived from data purchases by licensees for Diners Club branded cards issued outside of North America and is subject to subsequent revision or amendment.

# Network Alliance partners deliver expanding international reach



**AFS**  
Bahrain



**Areeba**  
Lebanon



**ATH**  
Puerto Rico



**Bancomat**  
Italy



**Bcard**  
Bulgaria



**BC Card**  
South Korea



**Cabal**  
Argentina



**DBBL**  
Bangladesh



**DinaCard**  
Serbia



**Elo**  
Brazil



**Interac**  
Canada



**JCB**  
Japan



**Jonet**  
Jordan



**Mercury**  
Middle East



**Napas**  
Vietnam



**NCCC**  
Taiwan



**PayNet**  
Malaysia



**Prosa**  
Mexico



**RuPay**  
India



**SAMA**  
Saudi Arabia



**SIBS**  
Portugal



**Troy**  
Turkey



**UnionPay**  
China



**Verve**  
Nigeria

## How our Network Alliance partnerships work

Partners issue cards within Discover® Global Network BINs (65XX)

Allows partners' cardholders to spend internationally at enabled merchants

Cardholders are encouraged to look for Discover and Diners Club International® acceptance marks on the back of their cards

Accepting merchants are able to capture incremental spend from Network Alliance partners without making any changes to their systems

# Network Alliance partners deliver expanding international reach

## Actively Issuing



**BC Card**  
South Korea



**DinaCard**  
Serbia



**Elo**  
Brazil



**JCB**  
Japan



**RuPay**  
India



**Troy**  
Turkey



**UnionPay**  
China



**Verve**  
Nigeria

## Signed Partners



**AFS**  
Bahrain



**Areeba**  
Lebanon



**ATH**  
Puerto Rico



**Bancomat**  
Italy



**Bcard**  
Bulgaria



**Cabal**  
Argentina



**DBBL**  
Bangladesh



**Interac**  
Canada



**Jonet**  
Jordan



**Mercury**  
Middle East



**Napas**  
Vietnam



**NCCC**  
Taiwan



**PayNet**  
Malaysia



**Prosa**  
Mexico



**SAMA**  
Saudi Arabia



**SIBS**  
Portugal

## How our Network Alliance partnerships work

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# How we benefit merchants and acquirers



# Enabling Discover® Global Network expands your reach



With a single agreement you can increase opportunities at point-of-sale and online by accepting the full family of brands that leverage Discover® Global Network:

- Discover Cardholders
- Diners Club International® Clubmembers
- 25+ Network Alliance partners outside cardholders' home countries
- PULSE® debit cardholders in the U.S.

# Competitive pricing.

## Simplified fees.

Accepting Discover® costs the same—and in some cases less— than other brands

- Offer merchants and acquirers a simple and transparent fee structure
- Proactively changed Program Transaction Amount (PTA) rates—putting us on par with competitors and providing merchants a way to potentially increase their profitability





Expect transaction fees that are **competitive** with other rewards cards

Increase sales by welcoming cards from a large global network of **280+ million** loyal cardholders<sup>1</sup>

Tap into the fastest-growing global payments network<sup>2</sup>—featuring **25+** Network Alliance partners

Satisfy today's **consumers** who expect uninterrupted checkout experiences

# Why Discover<sup>®</sup> Global Network is good for business

<sup>1</sup>Discover Global Network participant reporting and RBR—Global Cards Data and Forecasts to 2025, Oct 2020.

<sup>2</sup>Based on signed network alliance agreements over the past twelve years with major payment networks within respective countries—Panoramic Research study, conducted 2020.



# Regional highlights



# APAC highlights



**460K+**  
unique cardholder  
spending in 2020<sup>1</sup>



**15%**  
spend growth  
in 2021<sup>2</sup>



**220%**  
YOY retail spend growth  
in e-commerce<sup>3</sup>



**76%**  
growth YOY in  
merchant locations<sup>4</sup>

## Top 5 countries spending in region



USA



Japan



Singapore



India



S. Korea

## Diners Club International® franchises



China

One of the largest  
banks in China



Japan

One of the largest banks  
in Japan  
Leading volume-  
producing franchise



India

India's largest credit  
card issuer



Australia

Citibank



Bangladesh

Eastern Bank



Philippines

BDO Unibank, Inc



Singapore

Ezy Net Pte. Ltd.



Sri Lanka

Nations Trust Bank



Vietnam

VietinBank

## Network Alliance partners



South Korea

Largest domestic payment  
network in South Korea  
83% of spend is online



India

Largest domestic payment  
network in India  
Partnership with multiple  
member issuing banks



Taiwan

Account for over 80% of  
credit card volume in Taiwan



Vietnam

Serves over millions  
of cardholders of  
46 domestic and international  
banks operating in Vietnam

<sup>1</sup>Internal DFS data as of December 2021.

<sup>2</sup>Internal DFS data; Volume Growth Q2 through Q4 2021.

<sup>3</sup>Internal DFS data; YoY CNP Retail Volume Growth 2020 vs 2021.

<sup>4</sup>DFS Competitive Market Acceptance December 2021.

# LATAM highlights



**120K+**  
unique cardholder  
spending in 2021<sup>1</sup>



**54%**  
spend growth  
in 2021<sup>2</sup>



**91%**  
YOY retail spend growth  
in e-commerce<sup>3</sup>



**19%**  
growth YOY in  
merchant locations<sup>4</sup>

## Top 5 countries spending in region



USA



Ecuador



Japan



Brazil



Peru

## Diners Club International® franchises



Peru



Ecuador



Colombia

## Acquirers



## Network Alliance partners



Brazil

Largest payment network  
in Brazil



Mexico

Largest payment network  
in Mexico



Argentina

<sup>1</sup>Internal DFS data as of December 2021.

<sup>2</sup>Internal DFS data; Volume Growth Q2 through Q4 2021.

<sup>3</sup>Internal DFS data; YoY CNP Retail Volume Growth 2020 vs 2021.

<sup>4</sup>DFS Competitive Market Acceptance December 2021.

# How we benefit issuers



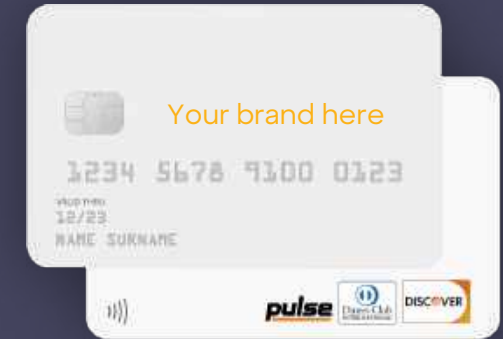


# Promote global acceptance— and drive usage volume

In-country transactions leverage the domestic network—and **you retain all fees** ←

Out-of-country transactions leverage Discover® Global Network

*For comparison, other brands take a cut on every transaction that takes place on their cards.*



## Publicize global acceptance

- Own the front of the card with your branding
- Let cardholders know their card is welcome around the world with Discover, Diners Club International® and PULSE® logos on the back



# Uniquely positioned to help you **realize your vision**



## Global access

- Operating as a payments network, bank and card issuer allows us to create tailored closed- and open-loop payment experiences
- Our technologies, resources and relationships can scale your brand and speed time to market



## Future-readied solutions

- Count on us for next-generation solutions such as instant funds, cardless payments, connected commerce and more
- We're active in innovative areas that include digital currency, blockchain, IoT and more



## Collaborative approach

- By launching partnerships at the initial research and discovery phase, we're able to engage in mutual problem solving
- Partnerships with VCs, start-ups, accelerators and university programs put us at the forefront of R&D

**Save on transaction fees** by keeping all in-country fees, and enjoy competitive fees on out-of-country transactions

**Give your cardholders** access to 60M+ global merchant locations and 1.8M+ ATMs in 200 countries and territories

**Expand your acceptance footprint** beyond your current borders, quickly and easily

**Count on a trusted partner** committed to helping you optimize your card portfolio and your cardholders' experience

# Why Discover® Global Network is good for business

# Millions of loyal cardholders around the world

## Directly owned issuers and networks



Discover®



Discover® Debit



Pulse®



Diners Club International®

## Single connection to 25+ partner networks around the globe



China (2005)



Japan (2006)



Portugal (2020)  
Boarding



Malaysia (2020)  
Boarding



Jordan (2020)  
Boarding



Saudi Arabia (2020)  
Boarding



Bahrain (2020)  
Boarding



Puerto Rico (2012)  
100% Acceptance  
Issuing 2022



India (2012)  
100% Acceptance  
140mm CIF



Canada (2009)  
100% ATM



Brazil (2015)  
100% Acceptance  
40mm CIF



Turkey (2017)  
Acquiring rollout  
1.5mm CIF



Vietnam (2017)  
Acquiring rollout



South Korea (2010)  
100% Acceptance  
14mm CIF



Taiwan (2018)  
Acquiring rollout  
Issuing 2021



Mexico (2018)  
Acquiring rollout  
Certifying issuing



UAE (2013)  
100% Acceptance  
300k CIF



Serbia (2010)  
Acquiring 2022  
600k CIF



Bulgaria (2019)  
Boarding - live 2022



Bangladesh (2019)  
Boarding - live 2021



Argentina (2019)  
Boarding - live 2021  
Issuing 2021



Nigeria (2013)  
Acquiring 2021  
300k CIF



Lebanon (2019)  
Acquiring rollout  
Issuing 2022



Bahrain (2021)  
Boarding



Ethiopia (2021)  
Signed

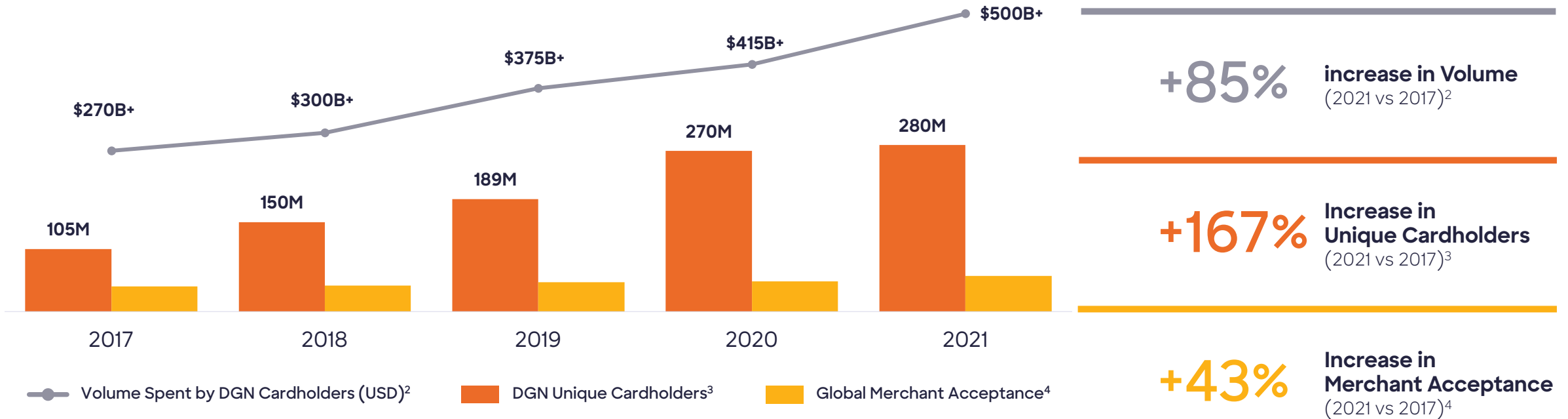


Uzbekistan (2022)  
Signed



Italy (2022)  
Signed

# Fastest-growing global payments network<sup>1</sup>



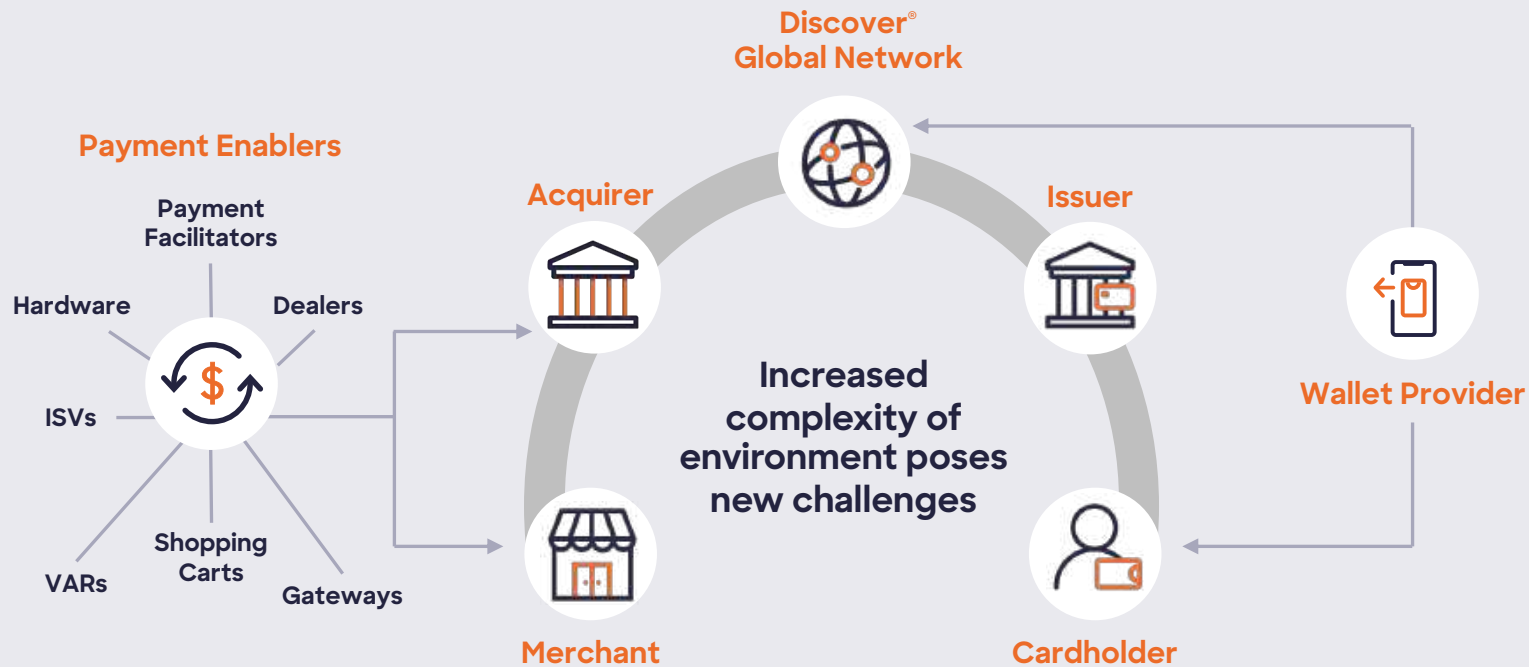
<sup>1</sup>Based on signed network alliance agreements over the past twelve years with major payment networks within respective countries - Panoramic Research study, conducted 2020.

<sup>2</sup>DFS, Internal Reporting, 2021.

<sup>3</sup>Discover Global Network participant reporting and RBR - Global Cards Data and Forecasts to 2026.

<sup>4</sup>RBR Global Payment Cards, GlobalNet, Discover Systems for DCI® and DN Outlets (USD).

# Ensuring transactions flow smoothly



## A look at who is who

### Network

A Network acts as an intermediary between an acquirer and an issuer to authorize and clear credit card transactions. Networks set policies, rules and pricing

### Issuer

A financial institution, bank, credit union or company that issues, or helps issue cards to cardholders

### Acquirer

An institution that processes and settles a merchant's daily credit card transactions, and then in turn settles those transactions with the card issuer/association

### Payment Enablers

Providers of products and services that help facilitate various elements of payment processing for merchants' commerce offerings

### Wallet Provider

An entity that allows cardholders to store funds, make transactions and track payment history on devices like phones and tablets



# Issuer spend highlights

## Diners Club International®



### Overall

Volume 11%    Transaction 16%

ATV  
\$110.8

#### Top issuing countries



USA    Spain    United Kingdom



Austria    Switzerland

#### Top MCCs

1. Airlines
2. Hard Lines
3. Apparel/Shoes

### CNP

Volume 17%    Transaction 13%

ATV  
\$71.7

#### Top issuing countries



USA    United Kingdom



Netherlands    Luxembourg

#### Top MCCs

1. Hard Lines
2. Airlines
3. Other Service Providers

### CP

Volume 11%    Transaction 34%

ATV  
\$158.2

#### Top issuing countries



USA    Austria    Switzerland



Norway    Denmark

#### Top MCCs

1. Airlines
2. Hard Lines
3. Apparel/Shoes

# Issuer spend highlights

## Discover<sup>®</sup>



### Overall

Volume 27%    Transaction 22%

ATV  
**\$62.3**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Other Service Providers
3. Supermarkets

### CNP

Volume 24%    Transaction 17%

ATV  
**\$74.1**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Other Service Providers
3. Other Retail

### CP

Volume 30%    Transaction 26%

ATV  
**\$53.9**

#### Top issuing countries



#### Top MCCs

1. Airlines
2. Hard Lines
3. Apparel/Shoes

# Issuer spend highlights

## Discover® Debit



### Overall

Volume 33%    Transaction 19%

ATV  
\$43.9

#### Top issuing countries



#### Top MCCs

1. Other Service Providers
2. Restaurants
3. Hard Lines

### CNP

Volume 40%    Transaction 33%

ATV  
\$60.0

#### Top issuing countries



#### Top MCCs

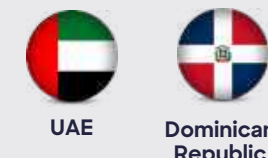
1. Other Service Providers
2. Hard Lines
3. Telecommunications

### CP

Volume 23%    Transaction 10%

ATV  
\$30.6

#### Top issuing countries



#### Top MCCs

1. Restaurants
2. Petroleum
3. Other Service Providers

# Issuer spend highlights

## BC Card



### Overall

Volume **-23%** Transaction **-15%**  
ATV  
**\$43.0**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Department Stores
3. Other Retail

### CNP

Volume **-22%** Transaction **-14%**  
ATV  
**\$54.7**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Department Stores
3. Other Retail

### CP

Volume **-44%** Transaction **-38%**  
ATV  
**\$35.0**

#### Top issuing countries



#### Top MCCs

1. Restaurants
2. Apparel/Shoes
3. Supermarkets

# Issuer spend highlights

## DinaCard



### Overall

Volume **7%**    Transaction **39%**  
ATV **\$80.0**

#### Top issuing countries



#### Top MCCs

1. Financial
2. Apparel/Shoes
3. Other Retail

### CP

Volume **4%**    Transaction **35%**  
ATV **\$75**

#### Top issuing countries



#### Top MCCs

1. Financial
2. Apparel/Shoes
3. Petroleum



# Issuer spend highlights

## Elo

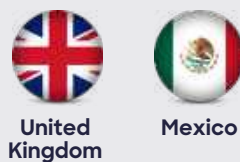


### Overall

Volume **-20%**    Transaction **-18%**

ATV  
**\$65.8**

#### Top issuing countries



#### Top MCCs

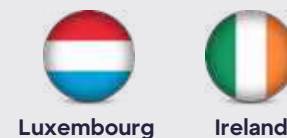
1. Hard Lines
2. Other Service Providers
3. Other Retail

### CNP

Volume **-7%**    Transaction **-9%**

ATV  
**\$53.3**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Other Service Providers
3. Other Retail

### CP

Volume **-34%**    Transaction **-36%**

ATV  
**\$100.0**

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Other Supermarkets
3. Hospitality

# Issuer spend highlights

## JCB



### Overall

Volume **-8%**    Transaction **10%**  
ATV  
**\$83.3**

#### Top issuing countries



#### Top MCCs

1. Other Service Providers
2. Hospitality
3. Hard Lines

### CNP

Volume **21%**    Transaction **35%**  
ATV  
**\$78.1**

#### Top issuing countries



#### Top MCCs

1. Other Service Providers
2. Hard Lines
3. Other Retail

### CP

Volume **-72%**    Transaction **-77%**  
ATV  
**\$211.5**

#### Top issuing countries



#### Top MCCs

1. Hospitality
2. Apparel/Shoes
3. Other Retail

# Issuer spend highlights

## RuPay



### Overall

Volume **11%**    Transaction **-26%**

ATV  
**\$58.0**

#### Top issuing countries



USA    UAE    Canada



United Kingdom    Kazakhstan

#### Top MCCs

1. Financial
2. Hard Lines
3. Education

### CNP

Volume **46%**    Transaction **-35%**

ATV  
**\$62.5**

#### Top issuing countries



USA    United Kingdom    Canada



Netherlands    Qatar

#### Top MCCs

1. Hard Lines
2. Education
3. Other Service Providers

### CP

Volume **29%**    Transaction **11%**

ATV  
**\$120.0**

#### Top issuing countries



UAE    USA    Kazakhstan



Georgia    United Kingdom

#### Top MCCs

1. Financial
2. Hard Lines
3. Supermarkets

# Issuer spend highlights

## Troy



### Overall

Volume **73%**    Transaction **121%**  
ATV **\$7.0**

#### Top issuing countries



#### Top MCCs

1. Other Retail
2. Financial
3. Hard Lines

### CNP

Volume **90%**    Transaction **136%**  
ATV **\$10.0**

#### Top issuing countries



#### Top MCCs

1. Other Retail
2. Hard Lines
3. Department Stores

### CP

Volume **52%**    Transaction **17%**  
ATV **\$66.7**

#### Top issuing countries



#### Top MCCs

1. Financial
2. Supermarkets
3. Other Retail



# Issuer spend highlights

## UnionPay

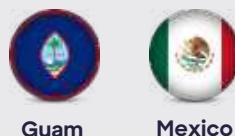


### Overall

Volume 10%    Transaction -3%

ATV  
\$119.8

#### Top issuing countries



#### Top MCCs

1. Hard Lines
2. Other Service Providers
3. Other Retail

### CNP

Volume 30%    Transaction 3%

ATV  
\$113.9

#### Top issuing countries



#### Top MCCs

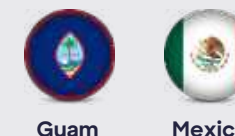
1. Hard Lines
2. Other Service Providers
3. Education

### CP

Volume -38%    Transaction -29%

ATV  
\$174.5

#### Top issuing countries



#### Top MCCs

1. Apparel/Shoes
2. Hard Lines
3. Supermarkets

# Issuer spend highlights

## Verve



### Overall

Volume **-28%** Transaction **40%**  
ATV **\$10.0**

#### Top issuing countries



#### Top MCCs

1. Department Stores
2. Other Service Providers
3. Telecommunications

### CNP

Volume **-3%** Transaction **98%**  
ATV **\$10.0**

#### Top issuing countries



#### Top MCCs

1. Department Stores
2. Other Service Providers
3. Other Retail

### CP

Volume **-57%** Transaction **-51%**  
ATV **\$20.0**

#### Top issuing countries



#### Top MCCs

1. Supermarkets
2. Other Service Providers
3. Apparel/Shoes