

Discover Financial Services
Form 424B2
October 31, 2016

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement and the accompanying prospectus supplement and prospectus are not offers to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Preliminary Pricing Supplement dated October 31, 2016

Preliminary Pricing Supplement No. 27 -

Dated Monday, October 31, 2016 (to: Prospectus dated June 26, 2015 and Prospectus Supplement Dated: September 8, 2015)

| Deal Name | 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 | FL s Guar |
|--------------|------------------|---------------------|-----------------|----------------|----------------|---------------------|-----------------------|------------------|-----------------------|-------------------------|--------------------|-----------------|
| | 100.00% | 1.450% | \$ | Fixed | 3.000% | Semi-Annual | 30/360 | 11/15/2023 | 5/15/2017 | \$15.42 | Yes | N |

: Callable in whole or in part, at any time on or after 8/15/2023.

Discover Financial Services may, at its option, at any time on or after 08/15/2023, redeem these Discover Financial Services InterNotes in whole or in part, without notice, upon the following terms: (a) If the entire principal amount of the notes is to be redeemed, 30 days' prior notice delivered to the holders of these Discover Financial Services InterNotes. These Discover Financial Services InterNotes will be redeemed at 100% of the principal 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, Discover Financial Services will select the Notes for redemption on a pro rata basis, by lot or by such other method in accordance with the DTC's procedures. The portion of the principal amount of the notes to be redeemed in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. If these Discover Financial Services InterNotes are to be redeemed in part, the notice of redemption will state the portion to be redeemed. Unless Discover Financial Services defaults in payment of the redemption price, on and after the date of redemption, the holders of these Discover Financial Services InterNotes or the portions of these Discover Financial Services InterNotes called for redemption will receive the redemption price in cash on the date of redemption.

| | | | | | | | | | | | |
|---------|---------|----|-------|--------|-------------|--------|------------|-----------|---------|-----|---|
| 100.00% | 2.0000% | \$ | Fixed | 3.500% | Semi-Annual | 30/360 | 11/15/2028 | 5/15/2017 | \$17.99 | Yes | N |
|---------|---------|----|-------|--------|-------------|--------|------------|-----------|---------|-----|---|

: Callable in whole or in part, at any time on or after 8/15/2028.

Edgar Filing: Discover Financial Services - Form 424B2

Discover Financial Services may, at its option, at any time on or after 08/15/2028, redeem these Discover Financial Services InterNotes in whole or in part, at the option of the holder, upon the receipt of 30 days' prior notice delivered to the holders of these Discover Financial Services InterNotes. These Discover Financial Services InterNotes will be redeemed at 100% of the principal 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, Discover Financial Services will select the Notes for redemption on a pro rata basis, by lot or by such other method in accordance with the DTC's procedures. The redemption will be in denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. If these Discover Financial Services InterNotes are redeemed in part, the redemption price will be the lesser of the redemption price and the market value of the Notes to be redeemed. Unless Discover Financial Services defaults in payment of the redemption price, on and after the date of redemption, the holder of these Discover Financial Services InterNotes or the portions of these Discover Financial Services InterNotes called for redemption will not be entitled to any interest on the unredeemed portion of the Notes.

Trade Date: Monday, November 7, 2016 @ 12:00 PM ET
Settlement Date: Thursday, November 10, 2016

Discover Financial Services

Discover Financial Services InterNotes

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

Preliminary Pricing Supplement No. 27 - Dated
Monday, October 31, 2016

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

(to: Prospectus dated June 26, 2015 and Prospectus

Lead Manager: Incapital LLC

Supplement Dated: September 8, 2015)

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

InterNotes® is a registered trademark of Incapital Holdings LLC. All Rights
Reserved.