



**DISCOVER FINANCIAL SERVICES AND NATIONAL PAYMENTS
CORPORATION OF INDIA ANNOUNCE STRATEGIC ALLIANCE
ENABLING INCREASED NETWORK ACCEPTANCE**

Riverwoods, IL, and Mumbai, India – March 7, 2012 -- Discover Financial Services (DFS) and National Payments Corporation of India (NPCI) today announced they have entered into a strategic alliance resulting in acceptance of Discover cards and Diners Club International cards at NPCI ATMs and point-of-sale terminals for purchases in India. It also will allow RuPay (the national card payment network in India) cardholders to utilize the Discover, Diners Club International and PULSE networks for international purchases and cash access outside of India.

The arrangement will be implemented in a phased manner. To begin with, DFS and DCI cards will be accepted at RuPay ATMs in India, followed by acceptance at RuPay POS locations. The final phase will enable acceptance of RuPay Global Cards on Discover's global payment network outside of India.

Under the terms of the strategic alliance, POS and ATM transactions by RuPay network cardholders within India will be processed on the RuPay network. Outside of India, RuPay Global Card transactions will be processed on the Discover, Diners Club and PULSE ATM networks. The long-term agreement will result in increased transaction volume on NPCI's ATM and on their soon-to-be implemented POS network in India, as well as increased transaction volume on the Discover, Diners Club and PULSE networks. The companies are also working to implement Discover's EMV technology to offer chip-based cards to RuPay cardmembers.

"This partnership with RuPay further demonstrates our commitment to creating an ecosystem where local networks can thrive and offer more value and utility to their cardmembers," said Diane Offereins, EVP and President of Discover Payment Services. "By opening up our global payments network to RuPay cardmembers, we are participating in one of the fastest growing countries for payment cards in the world. Discover and Diners Club cardmembers also will benefit from their ability to more broadly use their cards to access cash or make purchases throughout India."

Discover's network to network alliances include UnionPay in China, JCB in Japan, BCard in Korea and DinaCard in Serbia. These alliances provide valuable access to Discover's global acceptance footprint and deliver value and volume to merchants and partners.

"The network-to-network alliance between DFS and NPCI eventually will result in the issuance of RuPay Global cards once the domestic RuPay cards being launched later this month stabilize," said Mr A. P. Hota, Chief Executive Officer & Managing Director of NPCI. "RuPay will be the premier Indian payment card scheme, offering state-of-the-art technology that is secure, robust, scalable, simple and cost effective." Mr Hota added that seven promoter banks have signed an MOU with NPCI to be part of the pilot launch of domestic RuPay cards.

NPCI's objective is to consolidate and integrate all retail payment systems in India. Since its founding in 2009, NPCI has grown its share of ATM transactions processed to 95% of the market in India. NPCI has been promoted by banks (State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank and HSBC) with the support and guidance of Indian Banks Association, the banking industry body in India.

About Discover

Discover Financial Services (NYSE: DFS) is a direct banking and payment services company with one of the most recognized brands in U.S. financial services. Since its inception in 1986, the company has become one of the largest card issuers in the United States. The company operates the [Discover card](#), America's cash rewards pioneer, and offers personal and student loans, online savings accounts, certificates of deposit and money market accounts through its [Discover Bank](#) subsidiary. Its payment businesses consist of [Discover Network](#), with millions of merchant and cash access locations; PULSE, one of the nation's leading ATM/debit networks; and Diners Club International, a global payments network with acceptance in more than 185 countries and territories. For more information, visit www.discoverfinancial.com.

About NPCI

National Payments Corporation of India (NPCI) is the umbrella organization of all retail payment systems in India and is set up by the banks in India with the support and guidance from Indian Banks' Association. The organization has been mandated to build central infrastructure for payment systems like ATM Switching, Mobile Payments, Cheque Truncation System, POS Switching, 24 * 7 remittance system and Financial Inclusion transactions. The organisation has also a mandate to build a domestic card payment scheme.

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