

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2024 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A	This return/report is for: ☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B	This return/report is: ☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C	If the plan is a collectively-bargained plan, check here. ▶ ☐
D	Check box if filing under: ☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E	If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶ ☐

Part II	Basic Plan Information—enter all requested information			
1a	Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	1b	Three-digit plan number (PN) ▶	004
		1c	Effective date of plan 01/01/2007	
2a	Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) DISCOVER FINANCIAL SERVICES 2500 LAKE COOK ROAD RIVERWOODS, IL 60015	2b	Employer Identification Number (EIN) 36-2517428	
		2c	Plan Sponsor's telephone number 224-405-0900	
		2d	Business code (see instructions) 522210	

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/03/2025	KAREN PEARSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor EMPLOYEE BENEFITS COMMITTEE OF DISCOVER FINANCIAL SERVICES C/O DISCOVER FINANCIAL SERVICES 2500 LAKE COOK ROAD RIVERWOODS, IL 60015	3b Administrator's EIN 36-2517428 3c Administrator's telephone number 224-405-0900																						
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN																						
5 Total number of participants at the beginning of the plan year	5 12035																						
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td colspan="2" style="height: 20px;"></td></tr> <tr><td style="width: 15%;">6a(1)</td><td style="text-align: right;">2591</td></tr> <tr><td>6a(2)</td><td style="text-align: right;">2469</td></tr> <tr><td>6b</td><td style="text-align: right;">3071</td></tr> <tr><td>6c</td><td style="text-align: right;">6069</td></tr> <tr><td>6d</td><td style="text-align: right;">11609</td></tr> <tr><td>6e</td><td style="text-align: right;">280</td></tr> <tr><td>6f</td><td style="text-align: right;">11889</td></tr> <tr><td>6g(1)</td><td></td></tr> <tr><td>6g(2)</td><td></td></tr> <tr><td>6h</td><td style="text-align: right;">0</td></tr> </table>			6a(1)	2591	6a(2)	2469	6b	3071	6c	6069	6d	11609	6e	280	6f	11889	6g(1)		6g(2)		6h	0
6a(1)	2591																						
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6e	280																						
6f	11889																						
6g(1)																							
6g(2)																							
6h	0																						
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7																						
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1I 3F 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:																							

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☒ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary (4) ☐ DCG (Individual Plan Information) – Number Attached _____ (5) ☐ MEP (Multiple-Employer Retirement Plan Information)	b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☒ A (Insurance Information) – Number Attached <u>1</u> (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE A (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Insurance Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500. ▶ Insurance companies are required to provide the information pursuant to ERISA section 103(a)(2).	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024		
A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 DISCOVER FINANCIAL SERVICES	D Employer Identification Number (EIN) 36-2517428	

Part I	Information Concerning Insurance Contract Coverage, Fees, and Commissions	Provide information for each contract on a separate Schedule A. Individual contracts grouped as a unit in Parts II and III can be reported on a single Schedule A.
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1 Coverage Information:

(a) Name of insurance carrier EMPOWER ANNUITY INSURANCE COMPANY
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(b) EIN	(c) NAIC code	(d) Contract or identification number	(e) Approximate number of persons covered at end of policy or contract year	Policy or contract year	
				(f) From	(g) To
06-1050034	93629	523708-E1		01/01/2024	12/31/2024

2 Insurance fee and commission information. Enter the total fees and total commissions paid. List in line 3 the agents, brokers, and other persons in descending order of the amount paid.

(a) Total amount of commissions paid	(b) Total amount of fees paid

3 Persons receiving commissions and fees. (Complete as many entries as needed to report all persons).

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid
--

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

(a) Name and address of the agent, broker, or other person to whom commissions or fees were paid

(b) Amount of sales and base commissions paid	Fees and other commissions paid		(e) Organization code
	(c) Amount	(d) Purpose	

Part II Investment and Annuity Contract Information

Where individual contracts are provided, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

4 Current value of plan's interest under this contract in the general account at year end	4	
5 Current value of plan's interest under this contract in separate accounts at year end.....	5	

6 Contracts With Allocated Funds:

a State the basis of premium rates ▶

b Premiums paid to carrier	6b	
c Premiums due but unpaid at the end of the year	6c	
d If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, enter amount. Specify nature of costs ▶	6d	

e Type of contract: (1) ☐ individual policies (2) ☐ group deferred annuity
(3) ☐ other (specify) ▶

f If contract purchased, in whole or in part, to distribute benefits from a terminating plan, check here ▶ ☐

7 Contracts With Unallocated Funds (Do not include portions of these contracts maintained in separate accounts)

a Type of contract: (1) ☐ deposit administration (2) ☐ immediate participation guarantee
(3) ☐ guaranteed investment (4) ☐ other ▶

b Balance at the end of the previous year	7b	327520
c Additions: (1) Contributions deposited during the year	7c(1)	
(2) Dividends and credits.....	7c(2)	
(3) Interest credited during the year.....	7c(3)	4241
(4) Transferred from separate account	7c(4)	-7425
(5) Other (specify below)..... ▶	7c(5)	
(6) Total additions	7c(6)	-3184
d Total of balance and additions (add lines 7b and 7c(6))	7d	324336
e Deductions:		
(1) Disbursed from fund to pay benefits or purchase annuities during year	7e(1)	164319
(2) Administration charge made by carrier.....	7e(2)	
(3) Transferred to separate account	7e(3)	
(4) Other (specify below)..... ▶ ADMINISTRATIVE EXPENSE	7e(4)	160017
(5) Total deductions	7e(5)	324336
f Balance at the end of the current year (subtract line 7e(5) from line 7d).....	7f	0

Part III Welfare Benefit Contract Information

If more than one contract covers the same group of employees of the same employer(s) or members of the same employee organizations(s), the information may be combined for reporting purposes if such contracts are experience-rated as a unit. Where contracts cover individual employees, the entire group of such individual contracts with each carrier may be treated as a unit for purposes of this report.

8 Benefit and contract type (check all applicable boxes)

- a** ☐ Health (other than dental or vision)
b ☐ Dental
c ☐ Vision
d ☐ Life insurance
e ☐ Temporary disability (accident and sickness)
f ☐ Long-term disability
g ☐ Supplemental unemployment
h ☐ Prescription drug
i ☐ Stop loss (large deductible)
j ☐ HMO contract
k ☐ PPO contract
l ☐ Indemnity contract
m ☐ Other (specify) ▶

9 Experience-rated contracts:

a Premiums: (1) Amount received	9a(1)		
(2) Increase (decrease) in amount due but unpaid	9a(2)		
(3) Increase (decrease) in unearned premium reserve	9a(3)		
(4) Earned ((1) + (2) - (3))		9a(4)	0
b Benefit charges (1) Claims paid	9b(1)		
(2) Increase (decrease) in claim reserves	9b(2)		
(3) Incurred claims (add (1) and (2))		9b(3)	0
(4) Claims charged		9b(4)	
c Remainder of premium: (1) Retention charges (on an accrual basis) --			
(A) Commissions	9c(1)(A)		
(B) Administrative service or other fees	9c(1)(B)		
(C) Other specific acquisition costs	9c(1)(C)		
(D) Other expenses	9c(1)(D)		
(E) Taxes	9c(1)(E)		
(F) Charges for risks or other contingencies	9c(1)(F)		
(G) Other retention charges	9c(1)(G)		
(H) Total retention		9c(1)(H)	0
(2) Dividends or retroactive rate refunds. (These amounts were ☐ paid in cash, or ☐ credited.)		9c(2)	
d Status of policyholder reserves at end of year: (1) Amount held to provide benefits after retirement		9d(1)	
(2) Claim reserves		9d(2)	
(3) Other reserves		9d(3)	
e Dividends or retroactive rate refunds due. (Do not include amount entered in line 9c(2).)		9e	

10 Nonexperience-rated contracts:

a Total premiums or subscription charges paid to carrier	10a	
b If the carrier, service, or other organization incurred any specific costs in connection with the acquisition or retention of the contract or policy, other than reported in Part I, line 2 above, report amount. Specify nature of costs.	10b	

Part IV Provision of Information

11 Did the insurance company fail to provide any information necessary to complete Schedule A? ☐ Yes ☒ No

12 If the answer to line 11 is "Yes," specify the information not provided. ▶

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
▶ Round off amounts to nearest dollar.	
▶ Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.	
A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	B Three-digit plan number (PN) ▶ 004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DISCOVER FINANCIAL SERVICES	D Employer Identification Number (EIN) 36-2517428
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information			
1	Enter the valuation date: Month 01 Day 01 Year 2024			
2	Assets:			
a	Market value	2a	517991267	
b	Actuarial value	2b	499954767	
3	Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a	For retired participants and beneficiaries receiving payment	3097	165760941	165760941
b	For terminated vested participants	6396	238935293	238935293
c	For active participants	2591	83759120	84166762
d	Total	12084	488455354	488862996
4	If the plan is in at-risk status, check the box and complete lines (a) and (b). ☐			
a	Funding target disregarding prescribed at-risk assumptions	4a		
b	Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor	4b		
5	Effective interest rate	5	5.19 %	
6	Target normal cost			
a	Present value of current plan year accruals	6a	0	
b	Expected plan-related expenses	6b	2200000	
c	Target normal cost	6c	2200000	

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Signature of actuary KELLY STOLYAR Type or print name of actuary MERCER Firm name 155 NORTH WACKER DRIVE, SUITE 1500 CHICAGO, IL 60606 Address of the firm	08/12/2025 Date 23-08336 Most recent enrollment number 312-917-0638 Telephone number (including area code)
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Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	30318235	15000000
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2700000	0
9	Amount remaining (line 7 minus line 8)	27618235	15000000
10	Interest on line 9 using prior year's actual return of <u>10.17</u> %	2808774	1525500
11	Prior year's excess contributions to be added to prefunding balance:		
a	Present value of excess contributions (line 38a from prior year)		0
b(1)	Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.34</u> %		0
b(2)	Interest on line 38b from prior year Schedule SB, using prior year's actual return		
c	Total available at beginning of current plan year to add to prefunding balance		0
d	Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	30427009	16525500

Part III Funding Percentages

14	Funding target attainment percentage	14	92.66 %
15	Adjusted funding target attainment percentage	15	102.26 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	100.40 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls**18** Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ►			18(b)	0	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a	Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b	Contributions made to avoid restrictions adjusted to valuation date	19b	0
c	Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost**21** Discount rate:**a** Segment rates:1st segment:
4.75 %2nd segment:
4.87 %3rd segment:
5.59 %☐ N/A, full yield curve used**b** Applicable month (enter code)**21b**

4

22 Weighted average retirement age**22**

62

23 Mortality table(s) (see instructions)☐

Prescribed - combined

☒

Prescribed - separate

☐

Substitute

Part VI Miscellaneous Items**24** Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....☒

Yes

☐

No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....☐

Yes

☒

No

26 Demographic and benefit information**a** Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.☒

Yes

☐

No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...☒

Yes

☐

No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....**27****Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years****28** Unpaid minimum required contributions for all prior years**28**

0

29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....**29**

0

30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....**30**

0

Part VIII Minimum Required Contribution For Current Year**31** Target normal cost and excess assets (see instructions):**a** Target normal cost (line 6c)**31a**

2200000

b Excess assets, if applicable, but not greater than line 31a**31b**

0

32 Amortization installments:

Outstanding Balance

Installment

a Net shortfall amortization installment

0

0

b Waiver amortization installment

0

0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount**33****34** Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....**34**

2200000

Carryover balance

Prefunding balance

Total balance

35 Balances elected for use to offset funding requirement

2200000

0

2200000

36 Additional cash requirement (line 34 minus line 35)**36**

0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)**37**

0

38 Present value of excess contributions for current year (see instructions)**a** Total (excess, if any, of line 37 over line 36)**38a**

0

b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances**38b****39** Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)**39**

0

40 Unpaid minimum required contributions for all years**40**

0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)**41** If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2024
		This Form is Open to Public Inspection.
For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024		
A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 DISCOVER FINANCIAL SERVICES	D Employer Identification Number (EIN) 36-2517428	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

GOLDMAN SACHS ASSET MANAGEMENT, LP

13-3575636

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
28 51 56	NONE	1235487	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

ALIGHT SOLUTIONS LLC

82-1061233

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
15 50 99	NONE	619173	Yes ☒ No ☐	Yes ☐ No ☒	1391	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

MERCER INC.

13-2834414

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
11 16 50	NONE	264598	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

BNY MELLON

25-6078093

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
21 50	TRUSTEE	119951	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☒ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
ALIGHT SOLUTIONS LLC	99	1391

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
EQUIFAX WORKFORCE SOLUTIONS LLC 64-0958101	COMPENSATION RELATED TO PENSION INCOME VERIFICATION SERVICE

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection.
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For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024		
A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	B Three-digit plan number (PN) ▶	004
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 DISCOVER FINANCIAL SERVICES	D Employer Identification Number (EIN) 36-2517428	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: GS COLLECTIVE TRUST LONG DURATON CR			
b Name of sponsor of entity listed in (a): GOLDMAN SACHS TRUST COMPANY, N.A.			
c EIN-PN 13-4166989-026	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 256678408	
a Name of MTIA, CCT, PSA, or 103-12 IE: GS COLLEC TRUST INTERMEDAT DURATION			
b Name of sponsor of entity listed in (a): GOLDMAN SACHS TRUST COMPANY, N.A.			
c EIN-PN 13-4166989-034	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 174701214	
a Name of MTIA, CCT, PSA, or 103-12 IE: EB TEMPORARY INVESTMENT FUND			
b Name of sponsor of entity listed in (a): THE BANK OF NEW YORK MELLON			
c EIN-PN 25-6078093-023	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 16442953	
a Name of MTIA, CCT, PSA, or 103-12 IE: LARGE CAP BLEND			
b Name of sponsor of entity listed in (a): PRUDENTIAL RETIREMENT INSURANCE AND ANNUITY COMPANY			
c EIN-PN 06-1050034-177	d Entity code P	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 0	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs, other than DCGs)

(Complete as many entries as needed to report all participating plans. DCGs must report each participating plan using Schedule DCG.)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2024
		This Form is Open to Public Inspection

For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024

A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	B Three-digit plan number (PN) 004
C Plan sponsor's name as shown on line 2a of Form 5500 DISCOVER FINANCIAL SERVICES	D Employer Identification Number (EIN) 36-2517428

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions.....	1b(2)		
(3) Other	1b(3)	174416	79633
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	6356484	16105461
(2) U.S. Government securities	1c(2)	23420406	18809695
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts	1c(9)	475391882	447822575
(10) Value of interest in pooled separate accounts	1c(10)	12391108	0
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	1	1
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	327520	0
(15) Other.....	1c(15)		

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	518061817	482817365
Liabilities			
g Benefit claims payable	1g		
h Operating payables	1h	70550	944390
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	70550	944390
Net Assets			
l Net assets (subtract line 1k from line 1f)	1l	517991267	481872975

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)		
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B), (C), and line 2a(2)	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	427026	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		427026
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B), and (C)	2b(2)(D)		0
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)	99567	
(B) Aggregate carrying amount (see instructions)	2b(4)(B)	580245	
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		-480678
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)	-17544350	
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		6973573
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-10624429

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	22000400	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		22000400
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses:			
(1) Salaries and allowances	2i(1)		
(2) Contract administrator fees	2i(2)	619173	
(3) Recordkeeping fees	2i(3)		
(4) IQPA audit fees	2i(4)		
(5) Investment advisory and investment management fees	2i(5)	1235487	
(6) Bank or trust company trustee/custodial fees	2i(6)	119951	
(7) Actuarial fees	2i(7)	264598	
(8) Legal fees	2i(8)		
(9) Valuation/appraisal fees	2i(9)		
(10) Other trustee fees and expenses	2i(10)		
(11) Other expenses	2i(11)	1254254	
(12) Total administrative expenses. Add lines 2i(1) through (11)	2i(12)		3493463
j Total expenses. Add all expense amounts in column (b) and enter total	2j		25493863

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d	2k		-36118292
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **CROWE LLP**

(2) EIN: **35-0921680**

d The opinion of an independent qualified public accountant is **not attached** as part of Schedule H because:

(1) ☐ This form is filed for a CCT, PSA, DCG or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l. DCGs do not complete lines 4e, 4f, 4k, 4l, and 5, and DCGs generally complete the rest of Part IV collectively for all plans in the DCG, except as otherwise provided (see instructions).

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)		☒	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)		☒	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		☒	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)		☒	
e Was this plan covered by a fidelity bond?	☒		50000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		☒	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		☒	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	☒		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)	☒		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?		☒	
l Has the plan failed to provide any benefit when due under the plan?		☒	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☒ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 553122.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation		Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.		OMB No. 1210-0110 2024 This Form is Open to Public Inspection.	
For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024					
A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN				B Three-digit plan number (PN) ▶	004
C Plan sponsor's name as shown on line 2a of Form 5500 DISCOVER FINANCIAL SERVICES				D Employer Identification Number (EIN) 36-2517428	
Part I Distributions					
All references to distributions relate only to payments of benefits during the plan year.					
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....				1	0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 13-5160382					
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.					
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year				3	96
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)					
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☒ No ☐ N/A					
If the plan is a defined benefit plan, go to line 8.					
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____					
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.					
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived)				6a	
b Enter the amount contributed by the employer to the plan for this plan year				6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....				6c	
If you completed line 6c, skip lines 8 and 9.					
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A					
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☒ N/A					
Part III Amendments					
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☒ No					
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.					
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ☐ Yes ☐ No					
11 a Does the ESOP hold any preferred stock? ☐ Yes ☐ No					
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ☐ Yes ☐ No					
12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ☐ Yes ☐ No					
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.				Schedule R (Form 5500) 2024 v. 240311	

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....

14a

b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14b

c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....

14c

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....

15a

b The corresponding number for the second preceding plan year.....

15b

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year.....

16a

b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....

16b

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment..... ☐

- 19** If the total number of participants is 1,000 or more, complete lines (a) and (b):

a Enter the percentage of plan assets held as:

Public Equity: _____% Private Equity: _____% Investment-Grade Debt and Interest Rate Hedging Assets: 98.5%

High-Yield Debt: _____% Real Assets: _____% Cash or Cash Equivalents: 1.5% Other: _____%

b Provide the average duration of the Investment-Grade Debt and Interest Rate Hedging Assets:

☐ 0-5 years ☐ 5-10 years ☒ 10-15 years ☐ 15 years or more

- 20 PBGC missed contribution reporting requirements.** If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☒ No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

☐ Yes.

☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

☐ No. Other. Provide explanation: _____

Part VII IRS Compliance Questions

- 21a** Does the plan satisfy the coverage and nondiscrimination tests of Code sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules? ☐ Yes ☒ No

- 21b** If this is a Code section 401(k) plan, check all boxes that apply to indicate how the plan is intended to satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under Code sections 401(k)(3) and 401(m)(2).

☐ Design-based safe harbor method

☐ "Prior year" ADP test

☐ "Current year" ADP test

☒ N/A

- 22** If the plan sponsor is an adopter of a pre-approved plan that received a favorable IRS Opinion Letter, enter the date of the Opinion Letter ___/___/___ (MM/DD/YYYY) and the Opinion Letter serial number _____.

Discover Financial Services Pension Plan

Employer ID No: 36-2517428

Plan Number: 004

Financial Statements as of and for the
Years Ended December 31, 2024 and 2023,
Supplemental Schedules as of and
for the Year Ended December 31, 2024, and
Independent Auditor's Report

DISCOVER FINANCIAL SERVICES PENSION PLAN

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NOTE: All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

INDEPENDENT AUDITOR'S REPORT

To the Employee Benefits Committee
Discover Financial Services Pension Plan
Riverwoods, Illinois

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit

We have performed audits of the financial statements of Discover Financial Services Pension Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from qualified institutions as of December 31, 2024 and 2023, and for the years then ended, stating that the certified investment information, as described in Note 5 to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section

- the amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- the information in the accompanying financial statements related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certifications, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter – Supplemental Schedules Required by ERISA

The supplemental schedules of Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2024 and Schedule H, Line 4j – Schedule of Reportable Transactions for the year then ended, are presented for purposes of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information included in the supplemental schedules, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedules that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedules, we evaluated whether the supplemental schedules, other than the information agreed to or derived from the certified investment information, including their form and content, are presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedules, other than the information in the supplemental schedules that agreed to or is derived from the certified investment information, are presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedules related to assets held by and certified to by qualified institutions agrees to, or is derived from, in all material respects, the information prepared and certified by institutions that management determined meets the requirements of ERISA Section 103(a)(3)(C).


Crowe LLP

Chicago, Illinois
October 3, 2025

DISCOVER FINANCIAL SERVICES PENSION PLAN

Statements of Net Assets Available for Benefits

As of December 31, 2024 and 2023

	December 31,	
	2024	2023
ASSETS		
Investments — at fair value:		
Interest-bearing cash	\$ 16,105,461	\$ 6,356,484
U.S. government securities	18,809,695	23,420,406
Common/Collective trusts	447,822,575	475,391,882
Mutual funds	1	1
Group annuity contract	—	12,718,628
Total investments — at fair value	482,737,732	517,887,401
Receivables:		
Interest and dividends receivable	79,633	174,416
Total receivables	79,633	174,416
Total assets	482,817,365	518,061,817
LIABILITIES		
(Receivable) Payable for securities purchased	373,220	(557,006)
Administrative fees payable	571,170	627,556
Total liabilities	944,390	70,550
NET ASSETS AVAILABLE FOR BENEFITS	\$ 481,872,975	\$ 517,991,267

See notes to financial statements.

DISCOVER FINANCIAL SERVICES PENSION PLAN

Statements of Changes in Net Assets Available for Benefits

For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net investment income (loss):		
Net (depreciation) appreciation in fair value of investments	\$ (12,301,608)	\$ 41,928,762
Interest and dividends	<u>1,677,179</u>	<u>3,341,012</u>
Net investment income (loss)	<u>(10,624,429)</u>	<u>45,269,774</u>
Benefits paid directly to participants	(22,000,400)	(20,561,060)
Administrative expenses	(3,493,463)	(3,528,247)
	<u>(25,493,863)</u>	<u>(24,089,307)</u>
(DECREASE) INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	(36,118,292)	21,180,467
NET ASSETS AVAILABLE FOR BENEFITS — Beginning of year	<u>517,991,267</u>	<u>496,810,800</u>
NET ASSETS AVAILABLE FOR BENEFITS — End of year	<u><u>\$ 481,872,975</u></u>	<u><u>\$ 517,991,267</u></u>

See notes to financial statements.

DISCOVER FINANCIAL SERVICES PENSION PLAN

Notes to Financial statements

At December 31, 2024 and 2023 and for the years then ended

1. DESCRIPTION OF THE PLAN

The following description of the Discover Financial Services Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for more complete information. Except as otherwise defined, terms used in this description have the same meaning as in the Plan document.

General

The Plan was adopted by Discover Financial Services (the “Company”) effective January 1, 2007. The Plan had various predecessor plans. The Plan is a defined benefit pension plan covering participants who retire or otherwise terminate employment on or after January 1, 2007. The benefits provided under the Plan with respect to any participant who retired or whose employment otherwise terminated prior to January 1, 2007 will, except as otherwise stated in the Plan, be governed in all respects by the terms of the appropriate predecessor plan as in effect as of the date of the participant's retirement or other termination of employment. The Employee Benefits Committee of the Company controls and manages the operation and administration of the Plan. The Bank of New York Mellon (the “Trustee”) serves as both the trustee of the Plan and the custodian of the Plan's assets. The Trustee acts at the direction of the investment manager who is responsible for managing the Plan's investments. The Retirement Plan Investment Committee of the Company is responsible for the selection and monitoring of the Plan's investments. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”). Responsibility for general administration of the Plan is placed in the “Plan Administrator,” defined under the Plan as the Employee Benefits Committee.

On September 26, 2008, the Company authorized the amendment of the Plan to discontinue the accrual of future benefits in the Plan. This amendment was communicated to employees on October 8, 2008 and was effective December 31, 2008. The amendment did not impact the participants' value of any pension benefits that had been earned as of December 31, 2008. Additionally, participants who had not yet vested in the Plan were able to do so provided they had one year of vesting service as of December 31, 2008 and continued to work at the Company and earned five years of vesting service.

Eligibility

Prior to the aforementioned amendment to the Plan, full-time, flex part-time or regular part-time employees who either lived in the U.S. or were U.S. expatriate or U.S. benefits-eligible international employees and were at least 21 years of age were eligible to participate in the Plan after one year of service. Participants entered the Plan on the first of the month following the fulfillment of the eligibility requirements.

Benefits and Vesting

Prior to the aforementioned amendment to the Plan, unless a participant was grandfathered (see below), benefits accrued after 2003 were calculated according to a career average formula which was based on years of service, eligible total compensation, covered compensation, and other factors.

Generally, participants hired prior to January 1, 2004, became 100% vested in the Plan benefit after completing five years of service or upon attaining age 65 while in service. Participants hired on or after January 1, 2004, become 100% vested in the Plan benefit upon completion of five years of service.

Pension benefits are provided to participants under several types of retirement options based upon years of continuous service and age. Retirement benefits are paid to pensioners or beneficiaries in various forms of single life annuities and joint and survivor annuities, including a lump-sum payment option for certain pre-2004 participants.

Legacy Provisions under the Predecessor Plans

General

Benefits accrued under the Plan through December 31, 2003, are calculated according to a formula that is based on years of service, eligible total compensation, covered compensation, and other factors.

Benefits

Benefits under the Plan consist of nongrandfathered and grandfathered benefits.

Nongrandfathered benefit

The nongrandfathered benefit is equal to the sum of the participant's base benefit and additional benefit. These are calculated based on the participant's eligible earnings over certain specified periods of benefit service. The nongrandfathered benefit is payable commencing at age 65. However, eligible participants may elect early commencement based on his or her hire date, age, and the number of completed years of vesting service upon termination. In certain situations, benefits that are commenced early are subsidized by the Plan for those meeting specific eligibility criteria.

The normal retirement or deferred vested pension payable to a nongrandfathered participant is based on benefit service and career average earnings at date of termination.

Grandfathered benefit

The grandfathered benefit is equal to the sum of the participant's base benefit, additional benefit, 1978-1988 benefit, past service element, and pre-1978 benefit, each as applicable. Each is calculated based on the participant's eligible earnings over certain specified periods of benefit service. The benefit service used to determine the grandfathered benefit is limited to 28 years. A participant may elect to receive a reduced pension prior to age 65 provided he or she is vested and has attained age 55.

The amount of normal retirement, early retirement, or deferred vested pension payable to grandfathered participants depends on the retirement date and whether the participant was hired directly by the Company or was originally a participant in the Allstate Retirement Plan, the Sears Consumer Financial Corporation Pension Plan, or the Dean Witter Reynolds Inc. Pension Plan who was transferred to a position eligible for the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and changes therein; disclosures of contingent assets and liabilities; and the actuarial present value of accumulated plan benefits and changes therein at the date of the financial statements. Actual results could differ from the estimates and assumptions used.

Risks and Uncertainties

The Plan utilizes various investment options. Investments, in general, are exposed to various risks such as interest rate risk, credit risk, risks related to global events, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that those changes could materially affect the amounts reported in financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Investment Valuation

The Plan's investments are stated at fair value. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following provides a description of methodologies used in valuing the Plan's assets at fair value:

Interest-bearing cash

Interest-bearing cash represents cash deposits with broker, transferred as collateral against open derivative contracts and is reported as the closing value recorded by the broker.

U.S. government securities

U.S. government securities are investments in U.S. Treasury securities that are valued at unadjusted quoted prices for identical assets in active markets that the Plan can access.

Common/Collective trusts

These investments are not traded on an active market, but instead are valued using the Net Asset Value ("NAV") provided by the administrator of the fund as a practical expedient to estimate fair value. The unit price is based on underlying investments which are traded on an active market. Each common/collective trust provides for daily redemptions by the Plan at reported NAV per share, with no advance notice requirements for participants of the Plan.

Mutual funds

The mutual fund investments are not traded on an exchange. These investments are investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. Each mutual fund provides for daily redemptions by the Plan at reported NAV per share, with no advance notice requirements for participants of the Plan.

Group annuity contract

This investment consisted of two funds: The Large Cap Blend/MFS Fund and the Guaranteed Deposit Fund. The Large Cap Blend/MFS Fund was a pooled separate account valued using the NAV provided by the administrator of the Fund as a practical expedient to estimate fair value. This fund was not traded on active markets, however, the unit price was based on underlying investments, which were largely traded on an active market. The pooled separate account provided for daily redemptions by the Plan at reported NAV per share, with no advance notice requirements for participants of the Plan. The Guaranteed Deposit Fund was a stable value product that guarantees principal and interest for the full year, and was valued at fair value by

discounting the related cash flows based on current yields of similar instruments with comparable durations. The Plan held a group annuity contract managed by Empower, a custodian of the Plan that was discontinued as of December 31, 2024.

Investment Income

Purchases and sales of securities are recorded on a trade-date basis.

Net appreciation (depreciation) in fair value of investments

Realized and unrealized appreciation (depreciation) in the fair value of investments is based on the difference between the average cost of the assets at the beginning of the year, or at time of purchase of assets purchased during the year, and the related average cost on the day investments are sold with respect to realized appreciation (depreciation), or on the last day of the year for unrealized appreciation (depreciation).

Interest and dividend income

Interest income is recorded as earned, and receivables for interest income are recorded on an accrual basis. Dividends are accrued on their ex-dividend dates.

Payment of Benefits

Benefit payments to participants are recorded upon distribution.

Expenses

Administrative expenses of the Plan, which include actuarial fees, investment management fees, trustee service fees, certain other expenses, recordkeeping administration fees, and Pension Benefit Guaranty Corporation ("PBGC") premiums, are paid by the Plan, unless the Company elects to pay them.

Subsequent Events

Plan management has evaluated subsequent events for recognition and disclosure through October 03, 2025, which is the date the financial statements were available to be issued. On February 18, 2025, approval of the Merger Agreement was obtained from Discover Financial Services (The "Company") and Capital One Financial Corporation's shareholders. For more information, refer to Discover Financial Services current report on form 8-K filed with the SEC on February 18, 2025.

On May 18, 2025, completion of the Merger Agreement between Discover Financial Services, and Capital One Financial Corporation's shareholders was successful. Effective May 18, 2025, pursuant to an agreement and plan of merger, Capital One Financial Corporation assumed sponsorship of the Plan and maintains the plan for the benefit of eligible employees.

3. FUNDING POLICY

Contributions to provide benefits under the Plan are made solely by the Company. The Company's funding policy is to make cash contributions to the Plan in amounts as determined by the Plan's independent actuary. Contributions are between the minimum funding requirements of ERISA and the maximum tax-deductible amount as defined under Internal Revenue Code (the "Code") Section 404(o), which is the greatest of (a) the minimum required contribution, (b) the funding target plus target normal cost plus cushion amount minus the actuarial value of assets, and (c) the plan's at-risk funding target plus at-risk target normal cost minus the actuarial value of assets. The cushion amount is 50 percent of the funding target. The Plan met the minimum funding requirement as of December 31, 2024 and December 31, 2023.

4. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are projected future payments that are attributable under the Plan's provisions to the service employees have rendered as of the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of deceased employees, and (c) present employees or their beneficiaries. The actuarial present value of accumulated plan benefits is determined by the Plan's actuary. In this calculation, a determination is made of all benefits earned by current participants as of the valuation date; the actuarial present value is then computed using demographic assumptions and an assumed interest rate between the valuation date and expected date of payment.

The actuarial present value of accumulated plan benefits as of December 31, 2023 is as follows:

	2023
Vested benefits:	
Participants and/or beneficiaries currently receiving benefits	\$ 85,942,363
Other participants	409,404,378
Total vested benefits	495,346,741
Nonvested benefits	353,517
Total actuarial present value of accumulated plan benefits	<u>\$ 495,700,258</u>

The change in accumulated plan benefits between December 31, 2023 and December 31, 2022 is as follows:

Accumulated plan benefits on December 31, 2022	\$ 569,919,892
Increase (decrease) during year attributable to:	
Benefits accumulated and actuarial (gains) losses	380,915
Increase for interest due to decrease in discount period	22,351,306
Effect of changes in actuarial assumptions	(76,390,795)
Benefits paid	(20,561,060)
Net decrease	(74,219,634)
Accumulated plan benefits on December 31, 2023	<u>\$ 495,700,258</u>

The significant actuarial assumptions used in the valuations as of December 31, 2023 and December 31, 2022 were as follows:

- Mortality: Pri-2012 blended for annuitants and non-annuitants, using mortality improvement 2024 Adjusted Scale MP-2021 (modified to reflect 0% rate of mortality improvement during the period 2020-2023 and maximum rate of mortality improvement of 0.78% in any future year), blended 50% male and 50% female.
- Lump sum interest rate: 3-tier PPA lump sum rates of 4.15%, 4.75%, and 5.25% for 2023 and 3-tier PPA lump sum rates of 5.60%, 5.65%, and 5.55% for 2022.
- Retirement age: Graded rates from age 55 to 71 for both 2023 and 2022.

- Long-term rate of return on assets: 5.22% for 2023 and 4.00% for 2022.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

5. CERTIFIED INVESTMENTS

Certain information related to investments disclosed in the accompanying financial statements and ERISA-required supplemental schedules, including investments held at December 31, 2024 and 2023, and net appreciation (depreciation) in fair value of investments and interest and dividends, for the years then ended, was obtained by management and agreed to or derived from information certified as complete and accurate by The Bank of New York Mellon, the trustee and a custodian of the Plan as of and for the years ended December 31, 2024 and 2023 and by Empower Annuity Insurance Company ("Empower") as of and for the year ended December 31, 2023 and for the period from January 1, 2024 to June 1, 2024.

6. FAIR VALUE MEASUREMENTS

The following provides a description of the three levels of inputs that may be used to measure fair value under Accounting Standards Codification 820:

Level 1 - Inputs utilize quoted prices (unadjusted) available in active markets for identical assets or liabilities;

Level 2 - Inputs utilize other than quoted prices that are observable for the asset or liability, either directly or indirectly, and include quoted prices for similar assets and liabilities in an active or inactive market, quoted prices for the identical assets in an inactive market, and inputs other than quoted prices that are observable at commonly quoted intervals, such as interest rates;

Level 3 - Inputs utilize unobservable inputs, and include situations where there is little, if any, market activity for the asset or liability.

In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The following tables present information about the Plan's assets measured at fair value on a recurring basis at December 31, 2024 and 2023 and indicates the level within the fair value hierarchy with which each of those items is associated.

Assets Measured at Fair Value on a Recurring Basis at December 31, 2024 are as follows:

Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance at December 31, 2024
Interest-bearing cash	\$ —	\$ 16,105,461	\$ 16,105,461
U.S. government securities	18,809,695	—	18,809,695
Common/Collective trusts measured at NAV ⁽¹⁾	—	—	447,822,575
Mutual funds	—	1	1
 Total investments	 <u>\$ 18,809,695</u>	 <u>\$ 16,105,462</u>	 <u>\$ 482,737,732</u>

Assets Measured at Fair Value on a Recurring Basis at December 31, 2023 are as follows:

Investments	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance at December 31, 2023
Interest-bearing cash	\$ —	\$ 6,356,484	\$ 6,356,484
U.S. government securities	23,420,406	—	23,420,406
Common/Collective trusts measured at NAV ⁽¹⁾	—	—	475,391,882
Mutual funds	—	1	1
 Group annuity contract:			
Domestic Equity Fund measured at NAV ⁽¹⁾	—	—	12,391,108
Stable Value Fund	—	327,520	327,520
Total group annuity contract	<u>—</u>	<u>327,520</u>	<u>12,718,628</u>
 Total investments	 <u>\$ 23,420,406</u>	 <u>\$ 6,684,005</u>	 <u>\$ 517,887,401</u>

(1) In accordance with Subtopic 820-10, certain investments that were measured at NAV per share (or its equivalent) as practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Plan carries all derivatives in the statements of net assets available for benefits at fair value. The Plan's investment policy permits investments in derivative instruments, including but not limited to financial futures, options, and swaps. Investments in derivative instruments may not be used for speculative purposes.

Futures

During the years ended December 31, 2024 and 2023, the Plan used futures in the normal course of its investing activities to manage market risk associated with the Plan's equity and fixed income investments and to achieve overall investment portfolio objectives. A futures contract is a contractual agreement to make or take delivery of a standardized quantity of a specified grade or type of commodity or financial instrument at a specified future date in accordance with terms specified by a regulated future exchange. These contracts involve elements of market risk in excess of amounts recognized on the statements of net assets available for benefits.

The fair value of futures contracts in the statements of net assets available for benefits was zero at both December 31, 2024 and 2023, respectively, as settlements are by cash daily. Gains and losses on settled trades are recorded as net appreciation (depreciation) in fair value of investments.

As of December 31, 2024 and 2023, the Plan had no unsettled trades of futures contracts. At December 31, 2024, the Plan held six open U.S. Treasury futures investments (three in long positions and three in a short position) all of which will expire in March 2025. At December 31, 2023, the plan held six open U.S. Treasury futures investments (three in long positions and three in a short position) all of which expired in March 2024. The investments had a notional cost of \$301,587,904 and \$292,839,695 at December 31, 2024 and 2023, respectively. The unrealized depreciation was \$373,220 for the year ended December 31, 2024, and unrealized appreciation of \$557,006 for the year ended December 31, 2023.

8. PARTY-IN-INTEREST TRANSACTIONS

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

The Plan held investments managed by the Trustee during 2024 and 2023. The Trustee also provides custodial services. Therefore, the transactions in these investments and the Plan's payment of trustee and custodial fees to the Trustee qualify as party-in-interest transactions.

The Plan holds units of common/collective trusts issued and managed by Goldman Sachs Asset Management ("Goldman Sachs"), the Plan's investment manager. Therefore, transactions in the common/collective trusts and the Plan's payment of investment management fees to Goldman Sachs qualify as party-in-interest transactions.

Mercer (US) Inc. ("Mercer US") is the Plan's actuary and provides actuarial services. Fees paid by the Plan to Mercer US for certain actuarial services qualify as party-in-interest transactions.

The Plan also Held a group annuity contract managed by Empower, a custodian of the Plan. Therefore, transactions in the group annuity contract and the Plan's payment of administrative fees to Empower qualify as party-in-interest transactions.

Alight Solutions ("Alight") provides recordkeeping services to the Plan. Therefore, payment of recordkeeping fees to Alight qualify as party-in-interest transactions.

In both 2024 and 2023, fees paid by the Plan to the Trustee, Mercer US, Goldman Sachs, Empower and Alight were included in administrative expenses.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. Some administrative expenses of the Plan are paid directly by the Company.

9. FEDERAL INCOME TAX STATUS

The Plan received a favorable determination letter from the Internal Revenue Service ("IRS") on July 30, 2014. The Company and Plan management believe that the Plan, as amended, continues to qualify and to operate in compliance with the applicable requirements of the Internal Revenue Code, and the Plan and related trust continue to be tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2024 and 2023, there were no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2021.

10. PLAN TERMINATION

Although it has not expressed any intention to do so, the Company has the right under the Plan to terminate the Plan subject to the provisions set forth in ERISA. In the event that the Plan is terminated, the net assets of the Plan will be allocated for payment of Plan benefits to the participants in an order of priority determined in accordance with ERISA, applicable regulations thereunder, and the Plan document. Any remaining assets after full payment of all accrued benefits to all participants shall revert to the Company, subject to all applicable taxes and penalties.

Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination, subject to a statutory ceiling on the amount of an individual's monthly benefit.

Whether all participants receive their benefits should the Plan be terminated at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits, the priority of those benefits to be paid, and the level and type of benefits guaranteed by the PBGC at that time. Some benefits may be fully or partially provided for by the then existing assets and the PBGC guaranty while other benefits may not be provided for at all.

SUPPLEMENTAL SCHEDULES

Schedule SB, line 26a — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34											
35–39	4	125									129
		516									
40–44	4	232	145	7							388
		953	2,474								
45–49	1	136	214	137	3						491
		1,257	3,120	4,872							
50–54	2	152	198	185	100	15					652
		1,540	4,234	5,956	8,814						
55–59	2	105	106	98	92	82					485
		1,893	4,059	6,877	9,381	11,944					
60–64	1	69	79	45	48	62	4	2			310
		1,917	4,000	6,695	7,929	14,653					
65–69		42	28	18	13	9	1				111
		1,231	3,303								
70 & up	1	7	10	4	3						25
Total	15	868	780	494	259	168	5	2			2,591
											4,362

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average annual frozen accrued benefit as of December 31, 2008 (in lieu of average compensation since plan benefits are frozen). The annual frozen accrued benefit is not shown for groups with fewer than 20 participants. Service shown is based on a freeze date of December 31, 2008.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2024 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
	<u>Stabilized¹</u>	<u>Nonstabilized</u>	<u>PBGC</u>
• First 5 years	4.75%	3.62%	5.01%
• Next 15 years	4.87%	4.46%	5.13%
• Over 20 years	5.59%	4.52%	5.15%
• Rationale	Rationale: Assumption prescribed by IRS and based on plan sponsor's PPA election. The stabilized rates above reflect the interest rate corridor set forth in the American Rescue Plan Act (ARPA) and Infrastructure Investment and Jobs Act (IIJA) of 2021.		

Mortality sponsor elections

• Healthy and Disabled participants	Section 430(h)(3) prescribed separate generational annuitant and non-annuitant mortality tables for 2024 funding valuation. These tables are based on the PRI2012 mortality tables projected with mortality improvements using the IRS-modified MP-2021 improvement scale, in accordance with the IRS regulation 1.430(h)(3)-1 Rationale: Assumption prescribed by IRS and based on plan sponsor's PPA election
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417(e) lump sums

Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and Pri-2012 blended for annuitants and non-annuitants, using mortality improvement 2024 Adjusted Scale MP-2021(modified to reflect 0% rate of mortality improvement during the period 2020-2023 and maximum rate of mortality improvement of 0.78% in any future year), blended 50% male and 50% female.

Rationale: The lump sum mortality assumption reflects the base mortality table prescribed by the IRS for lump sum payments in 2024 and incorporates the future mortality improvements rates released by the IRS in 2024 in Treasury regulation 1.430(h)(3)-(b)(1)(iv)(A).

Other economic assumptions

• Salary increases	Not applicable
• Social Security wage base	Not applicable
• Expected investment return	5.16% per year for 2023 and 4.31% per year for 2024 Rationale: For 2024, the expected return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook as of January 1, 2024 using the plan's target asset mix, net of an adjustment of 20 basis points for expenses assumed to be paid from plan assets.

¹ Rates as updated by American Rescue Plan Act (ARPA) of 2021.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Discount rate sponsor elections**

- Expenses \$2,200,000 added to current year normal cost
Rationale: Prior year administrative expenses, excluding PBGC premium, plus estimated current year PBGC premium, rounded to next \$100K.

Demographic assumptions

- Withdrawal See table of sample rates.
Rationale: Termination rates were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Disability incidence None assumed.
- Retirement age See table of sample rates.
Rationale: Retirement rates were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Benefit commencement age for
 - Future vested deferred Age at termination for portion of benefit assumed to be paid as a lump sum.
Age 65 for portion of benefit assumed to be paid as an annuity.
 - Current vested deferred Age 61 (if under age 61), and age 65 or current age (if age 61 or older), for portion of benefit assumed to be paid as a lump sum.
Age 65, or current age if older, for portion of benefit to be paid as an annuity
Rationale: Benefit commencement ages were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Spouse assumptions

	<u>Male participants</u>	<u>Female participants</u>
Percentage married	75%	55%
Spouse age difference	2 years younger	2 years older

Rationale: Spouse age difference and percent married assumptions were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.

Form of payment — When lump sum is available	<u>Lump sum</u>	<u>Single life Annuity</u>	<u>75% J&S Joint and Survivor Annuity</u>
Active retirements	50%	35%	15%
Future vested deferred	50%	35%	15%
Future deaths	50%	35%	15%
Current vested deferred	50%	35%	15%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Demographic assumptions

Form of payment — Otherwise	<u>Lump sum</u>	<u>Single life Annuity</u>	<u>75% J&S Joint and Survivor Annuity</u>
• Active retirements	0%	65%	35%
• Future vested deferred	0%	65%	35%
• Future deaths	0%	65%	35%
• Current vested deferred	0%	65%	35%
Rationale: The form of payment was developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.			
Unpredictable contingent event assumptions	Not applicable		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of Sample Rates

Withdrawal Rates ²	
Attained Age	Percentage
	Annual Rates
20	18.2%
25	12.6%
30	8.5%
35	6.1%
40	4.8%
45	5.5%
50	5.9%
55	4.6%

Retirement Rates	
Age	Percentage
	Annual Rates
55-59	9.0%
60-61	11.0%
62-64	16.0%
65-70	30.0%
71	100.0%

² Withdrawal rates do not apply once a participant attains eligibility for early commencement.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial methods for funding****Asset methods**

The asset valuation method is an average of the adjusted market value for the end of the last month preceding the valuation date and the market value as of the valuation date. The adjusted market value is the market value at the one-month prior determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Alight provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements by January 1, 2009 are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for active participants.
- **Insurance contracts:** The market value of the plan's insurance contract with Prudential is included in the assets and the benefits provided by that contract are included with the plan benefits valued.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2024 This Form is Open to Public Inspection
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Part I Annual Report Identification Information	
For calendar plan year 2024 or fiscal plan year beginning 01/01/2024 and ending 12/31/2024	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must provide participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here. ▶	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶	☐

Part II Basic Plan Information—enter all requested information	
1a Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN	1b Three-digit plan number (PN) ▶ 004 1c Effective date of plan 01/01/2007
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) DISCOVER FINANCIAL SERVICES 2500 LAKE COOK ROAD RIVERWOODS IL 60015	2b Employer Identification Number (EIN) 36-2517428 2c Plan Sponsor's telephone number 224-405-0900 2d Business code (see instructions) 522210

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	<i>Karen Pearson</i>	10/3/25	KAREN PEARSON
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

3a Plan administrator's name and address ☐ Same as Plan Sponsor EMPLOYEE BENEFITS COMMITTEE OF DISCOVER FINANCIAL SERVICES C/O DISCOVER FINANCIAL SERVICES 2500 LAKE COOK ROAD RIVERWOODS IL 60015	3b Administrator's EIN 36-2517428 3c Administrator's telephone number 224-405-0900																						
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN																						
5 Total number of participants at the beginning of the plan year	5 12,035																						
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d). a(1) Total number of active participants at the beginning of the plan year a(2) Total number of active participants at the end of the plan year b Retired or separated participants receiving benefits c Other retired or separated participants entitled to future benefits d Subtotal. Add lines 6a(2) , 6b , and 6c e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits. f Total. Add lines 6d and 6e g(1) Number of participants with account balances as of the beginning of the plan year (only defined contribution plans complete this item) g(2) Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item) h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"></td> <td style="width: 90%;"></td> </tr> <tr> <td>6a(1)</td> <td style="text-align: right;">2,591</td> </tr> <tr> <td>6a(2)</td> <td style="text-align: right;">2,469</td> </tr> <tr> <td>6b</td> <td style="text-align: right;">3,071</td> </tr> <tr> <td>6c</td> <td style="text-align: right;">6,069</td> </tr> <tr> <td>6d</td> <td style="text-align: right;">11,609</td> </tr> <tr> <td>6e</td> <td style="text-align: right;">280</td> </tr> <tr> <td>6f</td> <td style="text-align: right;">11,889</td> </tr> <tr> <td>6g(1)</td> <td></td> </tr> <tr> <td>6g(2)</td> <td></td> </tr> <tr> <td>6h</td> <td style="text-align: right;">0</td> </tr> </table>			6a(1)	2,591	6a(2)	2,469	6b	3,071	6c	6,069	6d	11,609	6e	280	6f	11,889	6g(1)		6g(2)		6h	0
6a(1)	2,591																						
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6d	11,609																						
6e	280																						
6f	11,889																						
6g(1)																							
6g(2)																							
6h	0																						
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item).....	7																						
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1A 1I 3F 3H																							

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) ☒ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
--	--

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
- (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
- (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary
- (4) ☐ **DCG** (Individual Plan Information) – Number Attached _____
- (5) ☐ **MEP** (Multiple-Employer Retirement Plan Information)

b General Schedules

- (1) ☒ **H** (Financial Information)
- (2) ☐ **I** (Financial Information – Small Plan)
- (3) ☒ **A** (Insurance Information) – Number Attached 1
- (4) ☒ **C** (Service Provider Information)
- (5) ☒ **D** (DFE/Participating Plan Information)
- (6) ☐ **G** (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2024 Form M-1 annual report. If the plan was not required to file the 2024 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

DISCOVER FINANCIAL SERVICES PENSION PLAN

EIN:
36-2517428

Plan: 004

FORM 5500, SCHEDULE H, LINE 4j - SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED December 31, 2024

(a) Identity of party involved	(b) Description of asset include interest rate and maturity in case of a loan)	(c) Purchase price	(d) Selling price	Number of transactions	(e) Cost of asset *	(g) Net gain or (loss)
SERIES IN SAME SECURITY						
** BNY Mellon Cash Reserve	Interest-bearing cash	\$ 32,672,815	\$ —	5	\$ —	\$ —
** BNY Mellon Cash Reserve	Interest-bearing cash	\$ —	\$ 22,672,815	4	\$ 22,672,815	\$ —
** BNY Mellon EB Temporary Investment Fund	Common/Collective Trust	\$ 132,516,951	\$ —	192	\$ —	\$ —
** BNY Mellon EB Temporary Investment Fund	Common/Collective Trust	\$ —	\$ 157,595,322	183	\$ 157,595,322	\$ —
** GOLDMAN SACHS*	Goldman Sachs Collective Trust Long Duration Credit Fund	\$ —	\$ 27,000,000	3	\$ 25,694,475	\$ 1,305,525
** GOLDMAN SACHS*	Goldman Sachs Collective Trust Intermediate Duration Credit Fund	\$ 25,000,000	\$ —	1	\$ —	\$ —
** GOLDMAN SACHS*	Goldman Sachs Collective Trust Intermediate Duration Credit Fund	\$ —	\$ 5,000,000	1	\$ 4,675,731	\$ 324,269

* The commissions and fees related to purchases and sales of investments are included in the cost of the investment.

** Represents a party-in-interest.

See accompanying independent auditor's report.

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2024 This Form is Open to Public Inspection
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For calendar plan year 2024 or fiscal plan year beginning	01/01/2024	and ending	12/31/2024
► Round off amounts to nearest dollar.			
► Caution: A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.			

A Name of plan DISCOVER FINANCIAL SERVICES PENSION PLAN		B Three-digit plan number (PN) ►	004
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF DISCOVER FINANCIAL SERVICES		D Employer Identification Number (EIN) 36-2517428	
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B		F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2024</u>			
2 Assets:			
a Market value		2a	517,991,267
b Actuarial value		2b	499,954,767
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	3,097	165,760,941	165,760,941
b For terminated vested participants	6,396	238,935,293	238,935,293
c For active participants	2,591	83,759,120	84,166,762
d Total	12,084	488,455,354	488,862,996
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate	5		5.19%
6 Target normal cost			
a Present value of current plan year accruals		6a	0
b Expected plan-related expenses		6b	2,200,000
c Target normal cost		6c	2,200,000

Statement by Enrolled Actuary
To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	Kelly Stolyar (KAS) Signature of actuary	08/12/2025 Date
KELLY STOLYAR Type or print name of actuary		2308336 Most recent enrollment number
MERCER Firm name		312-917-0638 Telephone number (including area code)
155 NORTH WACKER DRIVE, SUITE 1500 CHICAGO IL 60606 Address of the firm		

Part II Beginning of Year Carryover and Prefunding Balances

		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	30,318,235	15,000,000
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	2,700,000	0
9	Amount remaining (line 7 minus line 8)	27,618,235	15,000,000
10	Interest on line 9 using prior year's actual return of <u>10.17%</u>	2,808,774	1,525,500
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.34%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12)	30,427,009	16,525,500

Part III | Funding Percentages

14	Funding target attainment percentage.....	14	92.66 %
15	Adjusted funding target attainment percentage.....	15	102.26 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	100.40 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and Liquidity Shortfalls

18 Contributions made to the plan for the plan year by employer(s) and employees:

(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
			Totals ▶	0	18(c)
			18(b)		0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date.....	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No

C If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 4.87 %	3rd segment: 5.59 %	☐ N/A, full yield curve used
b Applicable month (enter code).....				21b 4
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....	☐ Yes ☒ No
26 Demographic and benefit information	
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ...	☒ Yes ☐ No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):			
a Target normal cost (line 6c).....	31a	2,200,000	
b Excess assets, if applicable, but not greater than line 31a	31b	0	
32 Amortization installments:	Outstanding Balance	Installment	
a Net shortfall amortization installment	0	0	
b Waiver amortization installment	0	0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33		
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....	34	2,200,000	
	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	2,200,000	0	2,200,000
36 Additional cash requirement (line 34 minus line 35).....	36	0	
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....	37	0	
38 Present value of excess contributions for current year (see instructions)			
a Total (excess, if any, of line 37 over line 36).....	38a	0	
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b		
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37).....	39	0	
40 Unpaid minimum required contributions for all years	40	0	

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. ☐ 2019 ☐ 2020 ☒ 2021
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Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	9.0%	10,000	900	49,500
56	9.0%	9,100	819	45,864
57	9.0%	8,281	745	42,465
58	9.0%	7,536	678	39,324
59	9.0%	6,857	617	36,403
60	11.0%	6,240	686	41,160
61	11.0%	5,554	611	37,271
62	16.0%	4,943	791	49,042
63	16.0%	4,152	664	41,832
64	16.0%	3,488	558	35,712
65	30.0%	2,930	879	57,135
66	30.0%	2,051	615	40,590
67	30.0%	1,436	431	28,877
68	30.0%	1,005	302	20,536
69	30.0%	703	211	14,559
70	30.0%	492	148	10,360
71	100.0%	345	345	24,495
Total			10,000.00	615,125
Average				61.51

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial Assumptions for January 1, 2024 Funding Valuation****Discount rate sponsor elections**

• Segment rates or full yield curve	Segment		
• Look-back months	4		
	<u>Stabilized¹</u>	<u>Nonstabilized</u>	<u>PBGC</u>
• First 5 years	4.75%	3.62%	5.01%
• Next 15 years	4.87%	4.46%	5.13%
• Over 20 years	5.59%	4.52%	5.15%
• Rationale	Rationale: Assumption prescribed by IRS and based on plan sponsor's PPA election. The stabilized rates above reflect the interest rate corridor set forth in the American Rescue Plan Act (ARPA) and Infrastructure Investment and Jobs Act (IIJA) of 2021.		

Mortality sponsor elections

• Healthy and Disabled participants	Section 430(h)(3) prescribed separate generational annuitant and non-annuitant mortality tables for 2024 funding valuation. These tables are based on the PRI2012 mortality tables projected with mortality improvements using the IRS-modified MP-2021 improvement scale, in accordance with the IRS regulation 1.430(h)(3)-1 Rationale: Assumption prescribed by IRS and based on plan sponsor's PPA election
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417(e) lump sums

Liabilities are determined based on the underlying annuity used by the plan to determine the lump sum amount, rather than valuing the lump sum payment. This annuity is valued based on funding interest rates rather than 417(e) rates and Pri-2012 blended for annuitants and non-annuitants, using mortality improvement 2024 Adjusted Scale MP-2021(modified to reflect 0% rate of mortality improvement during the period 2020-2023 and maximum rate of mortality improvement of 0.78% in any future year), blended 50% male and 50% female.

Rationale: The lump sum mortality assumption reflects the base mortality table prescribed by the IRS for lump sum payments in 2024 and incorporates the future mortality improvements rates released by the IRS in 2024 in Treasury regulation 1.430(h)(3)-(b)(1)(iv)(A).

Other economic assumptions

• Salary increases	Not applicable
• Social Security wage base	Not applicable
• Expected investment return	5.16% per year for 2023 and 4.31% per year for 2024 Rationale: For 2024, the expected return on plan assets is based on the median simulated investment return using capital market assumptions published in Mercer Investment Consulting's Capital Markets Outlook as of January 1, 2024 using the plan's target asset mix, net of an adjustment of 20 basis points for expenses assumed to be paid from plan assets.

¹ Rates as updated by American Rescue Plan Act (ARPA) of 2021.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Discount rate sponsor elections**

- Expenses \$2,200,000 added to current year normal cost
Rationale: Prior year administrative expenses, excluding PBGC premium, plus estimated current year PBGC premium, rounded to next \$100K.

Demographic assumptions

- Withdrawal See table of sample rates.
Rationale: Termination rates were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Disability incidence None assumed.
- Retirement age See table of sample rates.
Rationale: Retirement rates were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Benefit commencement age for
 - Future vested deferred Age at termination for portion of benefit assumed to be paid as a lump sum.
Age 65 for portion of benefit assumed to be paid as an annuity.
 - Current vested deferred Age 61 (if under age 61), and age 65 or current age (if age 61 or older), for portion of benefit assumed to be paid as a lump sum.
Age 65, or current age if older, for portion of benefit to be paid as an annuity
Rationale: Benefit commencement ages were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.
- Spouse assumptions

	<u>Male participants</u>	<u>Female participants</u>
Percentage married	75%	55%
Spouse age difference	2 years younger	2 years older

Rationale: Spouse age difference and percent married assumptions were developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.

Form of payment — When lump sum is available	<u>Lump sum</u>	<u>Single life Annuity</u>	<u>75% J&S Joint and Survivor Annuity</u>
Active retirements	50%	35%	15%
Future vested deferred	50%	35%	15%
Future deaths	50%	35%	15%
Current vested deferred	50%	35%	15%

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Demographic assumptions

Form of payment — Otherwise	<u>Lump sum</u>	<u>Single life Annuity</u>	<u>75% J&S Joint and Survivor Annuity</u>
• Active retirements	0%	65%	35%
• Future vested deferred	0%	65%	35%
• Future deaths	0%	65%	35%
• Current vested deferred	0%	65%	35%
Rationale: The form of payment was developed based on an experience study undertaken in 2022 using data from 2017-2021. The plan sponsor believes that this period will be representative of anticipated future experience.			
Unpredictable contingent event assumptions	Not applicable		

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods

Table of Sample Rates

Withdrawal Rates ²	
Attained Age	Percentage
	Annual Rates
20	18.2%
25	12.6%
30	8.5%
35	6.1%
40	4.8%
45	5.5%
50	5.9%
55	4.6%

Retirement Rates	
Age	Percentage
	Annual Rates
55-59	9.0%
60-61	11.0%
62-64	16.0%
65-70	30.0%
71	100.0%

² Withdrawal rates do not apply once a participant attains eligibility for early commencement.

Schedule SB, Part V — Statement of Actuarial Assumptions/Methods**Actuarial methods for funding****Asset methods**

The asset valuation method is an average of the adjusted market value for the end of the last month preceding the valuation date and the market value as of the valuation date. The adjusted market value is the market value at the one-month prior determination date adjusted to the valuation date based on actual cash flows and expected interest at the lesser of the expected rate of return and the third segment rate. This amount is adjusted to be no greater than 110% and no less than 90% of the fair market value, as defined in IRC Section 430.

A characteristic of this asset method is that, over time, it is slightly more likely to produce an actuarial value of assets that is less than the market value of assets than an actuarial value that is greater than the market value.

Participant methods

Participants or former participants are included or excluded from the valuation as described below:

- **Participants included:** Alight provides us with data on all employees as of the valuation date, but only those employees who have completed the plan's eligibility requirements by January 1, 2009 are included in the valuation of liabilities.
- **Participants excluded:** No actuarial liability is included for nonvested participants who terminated prior to the valuation date. For this purpose, participants with a break in service on the valuation date are treated as terminated participants.
- **Disabled participants:** The liabilities for participants on long-term disability have been included with the liabilities for active participants.
- **Insurance contracts:** The market value of the plan's insurance contract with Prudential is included in the assets and the benefits provided by that contract are included with the plan benefits valued.

Minimum funding methods

The funding target for minimum funding calculations is computed using the traditional unit credit method of funding. The objective under this method is to fund each participant's benefits under the plan as they accrue. Thus, the total pension to which each participant is expected to become entitled at retirement is broken down into units, each associated with a year of past or future credited service.

A detailed description of the calculation follows:

- The plan's valuation date is the beginning of the plan year.
- An individual's **funding target** is the present value of future benefits based on credited service and average pay as of the beginning of the plan year, and an individual's **target normal cost** is the present value of the benefit expected to accrue in the plan year. If multiple decrements are used, the funding target and the target normal cost for an individual is the sum of the component funding targets and target normal costs associated with the various anticipated separation dates.
- The plan's **target normal cost** is the sum of the individual target normal costs, and the plan's **funding target** is the sum of the individual funding targets for all participants under the plan.

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

Effective date and plan year	Original plan: January 1, 2007 Restated plan: January 1, 2014 Plan year: Calendar year.
Status of the plan	Effective December 31, 2008, the Plan was frozen. No Participant will accrue any benefit after December 31, 2008. Employees who were not eligible to participate in the Plan as of December 31, 2008 will not become eligible to participate thereafter.
Significant events that occurred during the year	None

Definitions

- Covered employees

For purposes of this Plan, the term Employee shall refer to:

 1. any current employee of a Discover Employer as of the end of the day on December 31, 2006;
 2. any former employee of a Discover employer as of the end of the day on December 31, 2006 excluding any former employee who was more recently employed by a member of the Morgan Stanley Group that is not a Discover Employer; and
 3. Any person who receives regular and stated compensation from, and is treated as an employee for wage withholding purposes by a Discover Employer on or after January 1, 2007.

The Plan categorizes the following types of Employees:

 1. "Pre-1991 Employees" include:
 - A. "Pre-1991 SFGE (Sears Family Grandfathered Employees)":
 - i. hired by any controlled group member on or before January 1, 1985; and
 - ii. employed by an Employer on January 1, 1986; and
 - iii. transferred from either Sears or Allstate:
 - a. to SPS prior to February 25, 1992; or
 - b. to DFS prior to June 30, 1993 and completes at least 12 months of service following the transfer.
 - B. "Pre-1991 Non-SFGE": employed by an Employer before January 2, 1991 and does not meet all of the above criteria.
 2. "Post-1991 Employees": hired by an Employer or transferred to an Employer from a controlled group member after January 1, 1991

Schedule SB, Part V — Summary of Plan Provisions

• Participation	Any Employee of an employer will become a Participant in the Plan once he has both: 1. attained age 21; and 2. Completed a year of eligibility service. The Plan categorizes the following types of Participants: 1. “Pre-2004 Participants” are Employees who became Participants at any time prior to January 1, 2004. They are further categorized as either: A. “Grandfathered Participants” who meet either of these eligibility requirements: i. Pre-2004 Participants whose age plus Vesting Service is at least equal to 65, with at least five years of Vesting Service as of December 31, 2003; or ii. Pre-1991 SFGEs. - OR B. “Non-grandfathered Participants” who are those Pre-2004 Participants who do not meet either of the eligibility requirements. 2. “Post-2003 Participants”: Employees who became participants on or after January 1, 2004.
• Eligibility service	Prior to 2004, employees are entitled to a year of eligibility service if they have completed 1,000 hours of service during any 12-month period ending on their employment anniversary date. After 2003, employees are entitled to a year of eligibility service for any period of service, whether or not consecutive, equal to 12 months.
• Vesting service	• Pre-2004 Participants with at least 3 years of vesting service at January 1, 2003: 1/12th of a year for each calendar month (or portion thereof) during which the Employee is employed by an Employer and/or a controlled group member. • Pre-2004 Participants with less than 3 years of vesting service at January 1, 2003: 1/12th of a year for each calendar month (or portion thereof) during which the Employee is employed by an Employer and/or a controlled group member for service prior to January 1, 2003, plus 1/365th of a year for each day of employment for service after January 1, 2003. • Post-2003 Participants: 1/365th of a year for each day of employment. All periods of employment (whether or not continuous) will be aggregated in computing Vesting Service and will also include any period of leave of absence.
• Benefit service	Pre-1991 Employees: 1/12th of a year for each calendar month (or portion thereof) of employment Post-1991 Employees: 1/12th of a year for each calendar month (or portion thereof) of employment after the completion of one year of Vesting Service. For purposes of computing Benefit Service for each type of Employee, any period of unpaid leave of absence, with the exception of maternity or paternity leave, in excess of 12 months will be disregarded.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
• Age	• Pre-1991 SFGE: Age 60 • Pre-1991 Non-SFGE: Age 65 • Post-1991 Employee who is a Pre-2004 Participant: Age 65 • Post-2003 Participants: The latest of Age 65 and completion of 5 years of vesting service, but no later than the date required under Section 411(a)(8).
• Date	<u>For purposes of determining the timing of benefit commencement</u> • For Pre-1991 SFGEs: the first day of the month following attainment of age 65 • For all other participants hired before 2004: first day of the month coincident with or next following attainment of Normal Retirement Age • For participants hired after 2003: First day of the month following attainment of Normal Retirement Age <u>For all other purposes</u> • For Pre-1991 SFGEs: the first day of the month coincident with or next following attainment of age 65. • For all other participants: First day of the month coincident with or next following attainment of Normal Retirement Age.
• Compensation	<u>Prior to 2004:</u> Total cash compensation paid to a participant for services rendered to an Employer as an Employee, including pre-tax employee deposits under any qualified profit sharing or stock bonus plan maintained by an Employer, or under Code section 125 or 132(f)(4), and, beginning January 1, 1995, compensation deferred under the Dean Witter, Discover & Co. Tax Deferred Equity Participation Plan, the SPS Transaction Service, Inc. Tax Deferred Equity Participation Plan (the "TDEPPs") or the Dean Witter, Discover & Co. Capital Accumulation Plan ("CAP") in the year such deferrals are made, but excluding numerous items such as awards and prizes, supper money, long-term disability payments, etc. <u>After 2003:</u> Total cash compensation paid to an employee while a participant in the Plan for services rendered to an Employer as an Employee, including pre-tax employee deposits under Code section 401(k), 125, 129 or 132(f)(4), but excluding numerous items such as awards and prizes, supper money, long-term disability payments, etc.
• Application of Compensation and Benefit Limits	For all participants, the normal retirement, early retirement or deferred vested pension is determined as the greater of 1 or 2: 1. The participant's benefit determined by applying the \$150,000 cap on compensation (as indexed for cost-of-living increases) to all years of service through 2001 and \$170,000 compensation limit after 2001; and 2. The sum of A and B: A. The participant's benefit determined as of December 31, 1993 under the \$200,000 cap on compensation (as indexed for cost-of-living increases), however, the pre-1978 benefit under the Sears and Allstate formulas must be determined with the \$150,000 cap on compensation; and B. The participant's benefit for service after December 31, 1993 under the \$150,000 cap on compensation (as indexed for cost-of-living increases) through 2001 and \$170,000 compensation limit after 2001. The maximum benefit permitted under IRC Section 415 is \$185,000 for 2008 (\$180,000 for 2007) beginning at age 65. This benefit limit is reduced for earlier retirement or if a member has fewer than ten years of Credited Service.

Schedule SB, Part V — Summary of Plan Provisions

• Final average earnings	Monthly average of the compensation paid to the participant during the five consecutive calendar years for which earnings were highest within the last ten consecutive calendar years immediately preceding termination of employment (or the monthly average for the entire period of employment, if less than five calendar years).
• Covered Compensation	Average of the Social Security Taxable Wage Bases for the 35 year period ending with the year the participant attains Social Security Normal Retirement Age.
• DFS benefit	The formula has three components: 1. Base Benefit = 1.1% of Final Average Earnings multiplied by Benefit Service. 2. Additional Benefit = 0.65% of the excess of Final Average Earnings over Covered Compensation, multiplied by Benefit Service (up to a 35-year maximum). 3. Career Average Benefit = 1% of each year's Compensation plus 0.5% of each year's Compensation in excess of the participant's Social Security Covered Compensation for the year. Grandfathered Participants' benefits equal the greater of A and B: A. 1 + 2 based on Benefit Service through termination date B. 1 + 2 based on Benefit Service through December 31, 2003 plus 3 based on Benefit Service from January 1, 2004 to termination date Non-grandfathered Participants are determined under Formula B above only. Post-2003 Participants are determined under Formula 3 above only.
• Amount of Pension Benefit	Pre-1991 SFGE: The benefit is calculated in three steps: 1. A full career benefit is calculated under the Sears Benefit formula, the Allstate Benefit formula and the DFS Benefit formula. 2. Each full career benefit is pro-rated based on actual Sears service, actual Allstate service, and DFS service following transfer, respectively, as compared to total service. 3. The total benefit is equal to the sum of these prorated pieces. Pre-1991 Non-SFGE: The benefit is calculated in three steps: 1. A full career benefit is calculated under the Sears Benefit formula (if applicable), the Allstate Benefit formula and the DFS Benefit formula. 2. Each full career benefit is pro-rated based on actual Sears service, DFS service up to December 31, 1999 (applied to the Allstate formula), and DFS service after December 31, 1999 (applied to the DFS formula), respectively, as compared to total service. 3. The total benefit is equal to the sum of these prorated pieces. For all employee groups, the amount paid from the DFS Pension Plan is equal to the total benefit, reduced by the benefit payable from the Sears Pension Plan and/or the Allstate Retirement Plan (if any). There is a minimum benefit equal to the benefit the participant had earned on December 31, 1988, as determined under the terms of the Plan in effect on December 31, 1988. There is a minimum benefit equal to \$20 per month per year of Benefit Service for SPS participants.

Schedule SB, Part V — Summary of Plan Provisions**Early commencement**Pre-1991 Employees, DFS Benefit Formula*Eligibility*

20 years of Vesting Service and age 55 or older at commencement

Reductions

1. Base Benefit:
 - A. Age 55 upon termination: 4.8% per year from age 63.
 - B. Under age 55 at termination: 4.8% per year from age 65.
2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
3. Career Average Benefit: 6% per year from normal retirement date.

Eligibility

Terminated on or after October 1, 2003 with less than 20 years of Vesting Service and age 55 or older at commencement

Reductions

Normal retirement benefit: 6% per year from normal retirement date.

Post-1991 Employees, DFS Benefit Formula*Eligibility*

10 years of Vesting Service and age 55 upon termination

Reductions

1. Base Benefit: 5% per year from age 65
2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
3. Career Average Benefit: 6% per year from normal retirement date.

Eligibility

5 years of Vesting Service but less than 10 years of Vesting Service, and age 55 or older at commencement.

Reductions

Normal retirement benefit: 6% per year from age 65.

Allstate Benefit Formula*Eligibility*

According to the Plan's provisions applicable by group: Pre-1991 SFGE, Pre-1991 Non-SFGE, or Post 1991 Employee.

Reductions

1. Post-1988 Base Benefit, 1978-1988 Benefit, and Pre-1978 Benefit: 4.8% per year from age 60.
2. Post-1988 Additional benefit: 8% per year from 65 to 62 and 4% per year from age 62 to 55.

Sears Benefit Formula*Eligibility*

According to the Plan's provisions applicable by group: Pre-1991 SFGE, Pre-1991 Non-SFGE, or Post-1991 Employee.

Reductions

1. Base Benefit:
 - A. 5% per year from age 63 to 55, if age 55 and 20 years of Vesting Service as of December 31, 1999.
 - B. 5% per year from age 65 to 55, if age 55 and 10 years of Vesting Service at termination.

Schedule SB, Part V — Summary of Plan Provisions

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- 2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
 - 3. 1978-1988 Updated Benefit: 5% per year from age 63 to 55.
 - 4. Immediate Credit Benefit: 5% per year from age 63 to 55.
 - 5. Pre-1978 Benefit is reduced 6% per year from age 60 to 55, except for highly compensated Pre-1991 Non-SFGEs and Post-1991 Employees, for whom the portion of the Pre-1978 benefit accrued after September 30, 1995 is reduced 5% per year from age 63.
- The total benefit will be actuarially reduced to age 55, if less than age 55 or less than 10 years of Vesting Service at termination

SPS Non-Highly Compensated Non-SFGEs Hired Before January 1, 1986:
Special rules apply to participants in this category. These rules apply only to the benefit accrued up to December 31, 1996.

SPS Highly compensated Pre-1991 SFGEs Special rules apply with respect to benefits accrued on or after October 1, 1995.

Benefits

- Allstate Benefit
 - The sum of 1 + 2 + 3:
 - 1. Post 1988 Benefit: the sum of A + B:
 - A. Base Benefit: 1.55% of Final Average Earnings multiplied by Benefit Service after 1988; and
 - B. Additional Benefit: 0.65% of the excess of Final Average Earnings over Covered Compensation multiplied by Benefit Service after 1988
 - 2. 1978-1988 Benefit: 0.18 multiplied by A, plus A multiplied by B
 - A. 2.125% of Final Average Earnings as of December 31, 1988 multiplied by his service after 1977 up to December 31, 1988, minus the social security offset as of that date. This social security offset will never be greater than 50% of the benefit before the offset is applied.
 - B. Final Average Earnings at determination over Final Average Earnings at December 31, 1988;
 - 3. Pre-1978 Benefit: 1.18 multiplied by A + B, plus C:
 - A. Past Service Element: 0.2% of monthly compensation in 1978 (limited to \$1,250) multiplied by full years of Benefit Service earned prior to 1979
 - B. Prior Service Element: 2.125% of Final Average Earnings as of December 31, 1988 in excess of \$1,250, multiplied by Benefit Service earned prior to 1978
 - C. 2.125% of the difference between Final Average Earnings at determination and Final Average Earnings as of December 31, 1988, multiplied by Benefit Service earned prior to 1978.
 - The Benefit Service used to determine the Allstate benefit (except for the Past Service Element) is limited to 28 years.
 - Participants who retire between the ages of 55 and 60 and after the completion of 20 years of Vesting Service and before December 31, 1999 may be entitled to certain beef-up provisions affecting their benefit.
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Schedule SB, Part V — Summary of Plan Provisions

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- **Sears Benefit**

The sum of 1, 2, 3, 4, and 5:

 1. **Base Benefit:** the sum of A + B
 - A. 1.00% of Final Average Earnings multiplied by the lesser of Benefit Service from January 1, 1978 through December 31, 1988 and Benefit Service after 1988
 - B. 0.85% of Final Average Earnings multiplied by the difference between Benefit Service after 1988 and Benefit Service from January 1, 1978 through December 31, 1988
 2. **Additional Benefit:** 0.65% of the excess of Final Average Earnings over Covered Compensation, multiplied by Benefit Service after 1988, limited to 35 years minus Benefit Service before 1989.
 3. **1978-1988 Updated Benefit:** A multiplied by the difference between B times C and D
 - A. The ratio of the participant's Final Average Earnings at determination over the Final Average Earnings at December 31, 1988, but not less than one.
 - B. The sum of (i) and (ii) based on Benefit Service between January 1, 1978 and January 1, 1989:
 - i. 1.5% of Benefit Service before age 50 and 15 years of Continuous Service
 - ii. 2.0% of Benefit Service after age 50 and 15 years of Continuous Service
 - C. Final Average Earnings as of December 31, 1988
 - D. The social security offset as of December 31, 1988, but not more than 50% of B times C.
 4. **Immediate Credit:** 0.2% of monthly compensation in 1976 or 1977, whichever is higher (limited to \$1,250), multiplied by full years of Benefit Service earned prior to 1978.
 5. **Pre-1978 Benefit:** For participants with accrued Supplemental Benefits in the Sears Supplemental Plan on or before December 31, 1977, 1.5% of Final Average Earnings at determination in excess of \$1,250 multiplied by Benefit Service earned prior to 1978.

For purposes of calculating these benefits, Benefit Service excludes the first year of service.

Schedule SB, Part V — Summary of Plan Provisions

Death BenefitsBenefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants*Pre-1991 SFGEs:*

A death benefit is payable to the spouse, or beneficiary equal to the lump-sum value of the participant's accrued benefit at the date of death.

Pre-1991 Non-SFGEs

If a participant dies after attaining eligibility for early or normal retirement, the benefit payable to his spouse or domestic partner will be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. Payments begin immediately.

If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months.

If a participant dies prior to becoming eligible for early retirement, the benefit payable to his spouse or domestic partner shall be equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. If the participant is single at the date of death, his beneficiary will receive the participant's accrued benefit reduced for early commencement for a period of 60 months.

Post-1991 Employees:

If a participant dies after attaining age 65 or dies while active and after attaining age 55 and completing 10 years of Vesting Service, the benefit payable to his spouse or domestic partner will be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months.

If a participant dies while active, prior to attaining age 55 and completing 10 years of Vesting Service, the benefit payable to his spouse or domestic partner shall be equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. If the participant is single at the date of death, his beneficiary will receive the participant's accrued benefit reduced for early commencement for a period of 60 months.

Schedule SB, Part V — Summary of Plan Provisions

Death Benefits (Continued)	If a participant dies after leaving the company and attaining age 55 and completing 20 or more years of Vesting Service, and before payments commence, death benefits will be payable to his spouse, domestic partner or beneficiary. If the participant is married, the spouse's benefit shall be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months. If a participant dies after leaving the company before age 55 and/or before completing 20 or more years of Vesting Service, the spouse will receive a benefit equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. Payments will commence at age 55. If the participant is single at the date of death, no benefits are payable from the Plan. <u>Benefit Accruals after December 31, 2003 for Non-grandfathered Participants</u> A death benefit is payable to the surviving spouse or domestic partner of a Non-grandfathered Participant. The death benefit is equal to the participant's accrued benefit at the date of death, payable in the form of a 50% joint and survivor annuity and reduced for any early commencement. There are no death benefits for unmarried participants without domestic partners. <i>Timing of payment</i> All death benefits are payable immediately following the participant's death. Surviving spouses may elect to defer the payment of the death benefit up to the time the participant would have reached age 65.						
Form of benefits	<table border="1"> <tr> <td data-bbox="152 1255 545 1318"> - Automatic form for unmarried participants </td><td data-bbox="573 1255 1471 1318">Life annuity</td></tr> <tr> <td data-bbox="152 1333 545 1396"> - Automatic form for married participants </td><td data-bbox="573 1333 1471 1465">Reduced equivalent 50% joint and survivor pension. Under this form of payment, the participant will receive a reduced amount for his lifetime and, in the event of his death, 50% of his pension will continue to his surviving spouse.</td></tr> <tr> <td data-bbox="152 1480 375 1509"> - Optional forms </td><td data-bbox="573 1480 1471 1913"> The participant may elect, with spousal consent, to receive his pension under an optional form of payment. <u>Benefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants:</u> <i>Pre-1991 Employees:</i> Single life, joint & 50% survivor, joint and 100% survivor, 10-year certain and life, joint and 50% last survivor, 10-year certain and joint and 50% survivor, or lump sum forms of payment. <i>Post-1991 Employees:</i> Single life, joint & 50% survivor; joint and 100% survivor, 10-year certain and life, joint and 50% "pop-up," joint and 100% "pop-up," 10-year certain and joint and 100% survivor forms of payment, and, in certain cases, lump sum. The Plan was amended effective December 31, 2002 to eliminate the lump sum option for benefits that accrue after December 31, 2002 (except for de minimus amounts). </td></tr> </table>	Automatic form for unmarried participants	Life annuity	Automatic form for married participants	Reduced equivalent 50% joint and survivor pension. Under this form of payment, the participant will receive a reduced amount for his lifetime and, in the event of his death, 50% of his pension will continue to his surviving spouse.	Optional forms	The participant may elect, with spousal consent, to receive his pension under an optional form of payment. <u>Benefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants:</u> <i>Pre-1991 Employees:</i> Single life, joint & 50% survivor, joint and 100% survivor, 10-year certain and life, joint and 50% last survivor, 10-year certain and joint and 50% survivor, or lump sum forms of payment. <i>Post-1991 Employees:</i> Single life, joint & 50% survivor; joint and 100% survivor, 10-year certain and life, joint and 50% "pop-up," joint and 100% "pop-up," 10-year certain and joint and 100% survivor forms of payment, and, in certain cases, lump sum. The Plan was amended effective December 31, 2002 to eliminate the lump sum option for benefits that accrue after December 31, 2002 (except for de minimus amounts).
Automatic form for unmarried participants	Life annuity						
Automatic form for married participants	Reduced equivalent 50% joint and survivor pension. Under this form of payment, the participant will receive a reduced amount for his lifetime and, in the event of his death, 50% of his pension will continue to his surviving spouse.						
Optional forms	The participant may elect, with spousal consent, to receive his pension under an optional form of payment. <u>Benefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants:</u> <i>Pre-1991 Employees:</i> Single life, joint & 50% survivor, joint and 100% survivor, 10-year certain and life, joint and 50% last survivor, 10-year certain and joint and 50% survivor, or lump sum forms of payment. <i>Post-1991 Employees:</i> Single life, joint & 50% survivor; joint and 100% survivor, 10-year certain and life, joint and 50% "pop-up," joint and 100% "pop-up," 10-year certain and joint and 100% survivor forms of payment, and, in certain cases, lump sum. The Plan was amended effective December 31, 2002 to eliminate the lump sum option for benefits that accrue after December 31, 2002 (except for de minimus amounts).						

Schedule SB, Part V — Summary of Plan Provisions

Effective January 1, 2004, the following additional annuity options are available to Pre-1991 and Post-1991 Employees: joint and 75% survivor, and 5-year certain and life.

The participant may elect, with spousal consent, to receive his pension under an optional form of payment.

Benefit Accruals after December 31, 2003 for Non-grandfathered Participants:

Single life, 50%, 75%, or 100% joint and survivor annuity, 5-year certain and life annuity, and 10-year certain and life annuity. A participant may elect to take their entire benefit (Pre-2004 and Post-2003 accruals) in one of these optional forms to the extent that the form of payment was not previously available.

If the present value of a terminated participant's vested accrued retirement benefit is not greater than \$1,000, the value of the participant's benefit is paid in a lump sum. Effective January 1, 2007, if the present value is not greater than \$5,000, the participant may elect to receive a lump sum.

- Optional form (other than lump sum) conversion factors

Post-2003 Benefit Accruals

For benefits accrued on or after January 1, 2004, the amount of any optional form of payment other than a lump sum shall be computed using the 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate.

Non-SFGE Employees

Pre-1991 Employees:

Form of Payment	Percentage of Monthly Retirement Income
Joint and Survivor	95%
Life and 10-Year Certain	95%
50% Joint and Survivor	100%
100% Joint and Survivor	85%
10-Year Certain and Joint and Contingent	93%

Post-1991 Employees:

The amount of any optional form of payment other than a lump sum shall be computed using the UP-1984 Mortality Table and an 8% interest rate.

Pre-1991 SFGE Employees

The greater of 1. or 2.

1.

Form of Payment	Percentage of Monthly Retirement Income
Joint and Survivor	87.5%
Life and 10-Year Certain	93.0%
50% Joint and Survivor	92.5%
100% Joint and Survivor	Described in Supplement A-1
10-Year Certain and Joint and Contingent	Described in Supplement A-1

OR

Schedule SB, Part V — Summary of Plan Provisions

	2. The 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate. <u>Article II and III employees</u> For any purpose for which an Actuarial Equivalent is not otherwise specified under the Plan, Actuarial equivalent shall be determined on the basis of the following assumptions: For benefits accrued prior to January 1, 2004: The UP-1984 Mortality Table for participants and the UP-1984 Mortality Table with age set back three years for spouses or beneficiaries and a 7% interest rates. For benefits accrued on or after January 1, 2004: The 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate. For participants that elect to take the entire accrued benefit as a 75% joint and survivor or 5 year certain and life form of payment, the benefit shall be computed using the 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate.
• Lump Sum Basis	The interest rates are the three segment interest rates derived from the high-quality corporate-bond yield curve (AAA, AA and A ratings), for the first month of the calendar quarter. The mortality table is the 50/50 male/female blend of the combined non-annuitant/annuitant mortality table as prescribed in IRS Revenue Ruling 2007-67.
Miscellaneous	
• Other provisions	Effective January 1, 2008, the Plan began providing an increase of 3%, 5% or 7%, to the benefit otherwise determined, for specified participants in the eligible class age 63, 64 or 65 on January 1, 2008.

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through the Second Amendment to Discover Financial Services Pension Plan effective as of January 1, 2014, are included in this valuation.

- **Most recent plan amendments included:** The Second Amendment to Discover Financial Services Pension Plan effective as of January 1, 2014.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70½.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.

Schedule SB, Part V — Summary of Plan Provisions

- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** The plan was frozen effective December 31, 2008, and no further benefits will accrue after that date. Years after 2008 are not counted toward determining top-heavy minimum benefits for non-key employees and, thus, we did not test whether this plan is top-heavy (meaning the present value of benefits for key employees exceeds 60 percent of the present value of cumulative accrued benefits for all participants). In addition, we expect that the plan has never been top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan provisions specific to funding**Additional benefits included or excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* Not applicable because the plan is frozen.

Plan Provision Changes Since Prior Valuation

None.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2023 to 2024 in accordance with PPA.
- The expected investment return decreased from 5.16% to 4.31%.
- The expense component of normal cost changed from \$2,700,000 to \$2,200,000 to reflect our expectations for the current plan year.
- The lump sum mortality assumption was updated from RP-2014 fully generational table backed out to 2006, blended for annuitants and non-annuitants, using mortality improvement Scale MP-2021, blended 50% male and 50% female to Pri-2012 blended for annuitants and non-annuitants, using mortality improvement 2024 Adjusted Scale MP-2021(modified to reflect 0% rate of mortality improvement during the period 2020-2023 and maximum rate of mortality improvement of 0.78% in any future year), blended 50% male and 50% female.

Schedule SB, line 26a — Schedule of Active Participant Data

Attained age	Years of credited service										
	Under 1	1–4	5–9	10–14	15–19	20–24	25–29	30–34	35–39	40 & up	Total
Under 25											
25–29											
30–34											
35–39	4	125									129
		516									
40–44	4	232	145	7							388
		953	2,474								
45–49	1	136	214	137	3						491
		1,257	3,120	4,872							
50–54	2	152	198	185	100	15					652
		1,540	4,234	5,956	8,814						
55–59	2	105	106	98	92	82					485
		1,893	4,059	6,877	9,381	11,944					
60–64	1	69	79	45	48	62	4	2			310
		1,917	4,000	6,695	7,929	14,653					
65–69		42	28	18	13	9	1				111
		1,231	3,303								
70 & up	1	7	10	4	3						25
Total	15	868	780	494	259	168	5	2			2,591
											4,362

In each cell, the top number is the count of active participants for each age/service combination and the bottom number is average annual frozen accrued benefit as of December 31, 2008 (in lieu of average compensation since plan benefits are frozen). The annual frozen accrued benefit is not shown for groups with fewer than 20 participants. Service shown is based on a freeze date of December 31, 2008.

Schedule SB, line 26b - Schedule of Projection of Expected Benefit Payments

Plan Year	<u>Active</u>	<u>Terminated Vested</u>	<u>Retired Participants and</u> <u>Beneficiaries Receiving</u>	<u>Total</u>
	<u>Participants</u>	<u>Participants</u>	<u>Payments</u>	
2024	738,389	3,266,558	14,879,866	18,884,813
2025	1,393,889	4,483,286	14,637,118	20,514,293
2026	2,027,740	6,106,190	14,372,631	22,506,562
2027	2,625,480	7,791,288	14,082,634	24,499,402
2028	3,214,115	9,798,200	13,766,611	26,778,926
2029	3,772,689	11,261,753	13,407,830	28,442,271
2030	4,280,638	12,531,218	13,047,796	29,859,653
2031	4,746,178	13,593,593	12,670,141	31,009,912
2032	5,179,067	14,668,084	12,252,660	32,099,811
2033	5,553,084	15,695,085	11,823,333	33,071,503
2034	5,881,164	16,718,260	11,364,239	33,963,663
2035	6,195,627	17,981,791	10,888,111	35,065,529
2036	6,514,039	18,882,317	10,389,829	35,786,186
2037	6,771,640	19,533,919	9,871,064	36,176,624
2038	6,981,028	20,007,461	9,333,957	36,322,446
2039	7,150,693	20,472,262	8,781,191	36,404,147
2040	7,271,051	20,827,090	8,216,003	36,314,145
2041	7,362,969	21,061,123	7,642,138	36,066,230
2042	7,414,310	21,093,731	7,063,801	35,571,842
2043	7,448,893	21,072,097	6,485,581	35,006,570
2044	7,432,528	20,843,032	5,912,333	34,187,893
2045	7,372,324	20,528,148	5,349,070	33,249,541
2046	7,267,707	20,111,377	4,800,871	32,179,956
2047	7,126,483	19,595,465	4,272,728	30,994,676
2048	6,953,005	18,984,380	3,769,391	29,706,776
2049	6,743,396	18,266,201	3,295,188	28,304,785
2050	6,509,147	17,484,701	2,853,780	26,847,629
2051	6,251,096	16,659,330	2,447,994	25,358,420
2052	5,971,070	15,795,683	2,079,707	23,846,460
2053	5,675,132	14,905,476	1,749,783	22,330,391
2054	5,367,917	13,995,334	1,458,085	20,821,336
2055	5,051,797	13,072,252	1,203,563	19,327,612
2056	4,729,493	12,143,740	984,377	17,857,610
2057	4,403,574	11,217,588	798,076	16,419,239
2058	4,076,748	10,301,581	641,768	15,020,097
2059	3,751,784	9,403,311	512,274	13,667,369

Schedule SB, line 26b - Schedule of Projection of Expected Benefit Payments

Plan Year	<u>Active</u>	<u>Terminated Vested</u>	<u>Retired Participants and</u> <u>Beneficiaries Receiving</u>	<u>Total</u>
	<u>Participants</u>	<u>Participants</u>	<u>Payments</u>	
2060	3,431,401	8,529,973	406,309	12,367,683
2061	3,118,286	7,688,204	320,611	11,127,101
2062	2,815,028	6,883,882	252,067	9,950,976
2063	2,524,003	6,121,911	197,789	8,843,704
2064	2,247,285	5,406,241	155,181	7,808,706
2065	1,986,583	4,739,774	121,967	6,848,323
2066	1,743,217	4,124,397	96,210	5,963,825
2067	1,518,101	3,561,034	76,302	5,155,437
2068	1,311,754	3,049,679	60,931	4,422,363
2069	1,124,293	2,589,546	49,051	3,762,890
2070	955,517	2,179,191	39,837	3,174,545
2071	804,947	1,816,619	32,647	2,654,212
2072	671,877	1,499,392	26,994	2,198,263
2073	555,412	1,224,678	22,510	1,802,599

Schedule SB, line 22 — Description of Weighted Average Retirement Age

Each employee is assumed to retire in accordance with the table of retirement rates. The proportion of employees expected to retire at each potential retirement age is shown below. The average retirement age is 62.

(A) Retirement age	(B) Retirement Percent	(C) Lx	(D) Number of employees expected to retire (B) x (C)	(E) (A) x (D)
55	9.0%	10,000	900	49,500
56	9.0%	9,100	819	45,864
57	9.0%	8,281	745	42,465
58	9.0%	7,536	678	39,324
59	9.0%	6,857	617	36,403
60	11.0%	6,240	686	41,160
61	11.0%	5,554	611	37,271
62	16.0%	4,943	791	49,042
63	16.0%	4,152	664	41,832
64	16.0%	3,488	558	35,712
65	30.0%	2,930	879	57,135
66	30.0%	2,051	615	40,590
67	30.0%	1,436	431	28,877
68	30.0%	1,005	302	20,536
69	30.0%	703	211	14,559
70	30.0%	492	148	10,360
71	100.0%	345	345	24,495
Total			10,000.00	615,125
Average				61.51

Schedule SB, line 26b - Schedule of Projection of Expected Benefit Payments

Plan Year	<u>Active</u>	<u>Terminated Vested</u>	<u>Retired Participants and</u> <u>Beneficiaries Receiving</u>	<u>Total</u>
	<u>Participants</u>	<u>Participants</u>	<u>Payments</u>	
2024	738,389	3,266,558	14,879,866	18,884,813
2025	1,393,889	4,483,286	14,637,118	20,514,293
2026	2,027,740	6,106,190	14,372,631	22,506,562
2027	2,625,480	7,791,288	14,082,634	24,499,402
2028	3,214,115	9,798,200	13,766,611	26,778,926
2029	3,772,689	11,261,753	13,407,830	28,442,271
2030	4,280,638	12,531,218	13,047,796	29,859,653
2031	4,746,178	13,593,593	12,670,141	31,009,912
2032	5,179,067	14,668,084	12,252,660	32,099,811
2033	5,553,084	15,695,085	11,823,333	33,071,503
2034	5,881,164	16,718,260	11,364,239	33,963,663
2035	6,195,627	17,981,791	10,888,111	35,065,529
2036	6,514,039	18,882,317	10,389,829	35,786,186
2037	6,771,640	19,533,919	9,871,064	36,176,624
2038	6,981,028	20,007,461	9,333,957	36,322,446
2039	7,150,693	20,472,262	8,781,191	36,404,147
2040	7,271,051	20,827,090	8,216,003	36,314,145
2041	7,362,969	21,061,123	7,642,138	36,066,230
2042	7,414,310	21,093,731	7,063,801	35,571,842
2043	7,448,893	21,072,097	6,485,581	35,006,570
2044	7,432,528	20,843,032	5,912,333	34,187,893
2045	7,372,324	20,528,148	5,349,070	33,249,541
2046	7,267,707	20,111,377	4,800,871	32,179,956
2047	7,126,483	19,595,465	4,272,728	30,994,676
2048	6,953,005	18,984,380	3,769,391	29,706,776
2049	6,743,396	18,266,201	3,295,188	28,304,785
2050	6,509,147	17,484,701	2,853,780	26,847,629
2051	6,251,096	16,659,330	2,447,994	25,358,420
2052	5,971,070	15,795,683	2,079,707	23,846,460
2053	5,675,132	14,905,476	1,749,783	22,330,391
2054	5,367,917	13,995,334	1,458,085	20,821,336
2055	5,051,797	13,072,252	1,203,563	19,327,612
2056	4,729,493	12,143,740	984,377	17,857,610
2057	4,403,574	11,217,588	798,076	16,419,239
2058	4,076,748	10,301,581	641,768	15,020,097
2059	3,751,784	9,403,311	512,274	13,667,369

Schedule SB, line 26b - Schedule of Projection of Expected Benefit Payments

Plan Year	<u>Active</u>	<u>Terminated Vested</u>	<u>Retired Participants and</u> <u>Beneficiaries Receiving</u>	<u>Total</u>
	<u>Participants</u>	<u>Participants</u>	<u>Payments</u>	
2060	3,431,401	8,529,973	406,309	12,367,683
2061	3,118,286	7,688,204	320,611	11,127,101
2062	2,815,028	6,883,882	252,067	9,950,976
2063	2,524,003	6,121,911	197,789	8,843,704
2064	2,247,285	5,406,241	155,181	7,808,706
2065	1,986,583	4,739,774	121,967	6,848,323
2066	1,743,217	4,124,397	96,210	5,963,825
2067	1,518,101	3,561,034	76,302	5,155,437
2068	1,311,754	3,049,679	60,931	4,422,363
2069	1,124,293	2,589,546	49,051	3,762,890
2070	955,517	2,179,191	39,837	3,174,545
2071	804,947	1,816,619	32,647	2,654,212
2072	671,877	1,499,392	26,994	2,198,263
2073	555,412	1,224,678	22,510	1,802,599

Schedule SB, Part V — Summary of Plan Provisions**Summary of Major Plan Provisions**

Effective date and plan year	Original plan: January 1, 2007 Restated plan: January 1, 2014 Plan year: Calendar year.
Status of the plan	Effective December 31, 2008, the Plan was frozen. No Participant will accrue any benefit after December 31, 2008. Employees who were not eligible to participate in the Plan as of December 31, 2008 will not become eligible to participate thereafter.
Significant events that occurred during the year	None

Definitions

- Covered employees

For purposes of this Plan, the term Employee shall refer to:

 1. any current employee of a Discover Employer as of the end of the day on December 31, 2006;
 2. any former employee of a Discover employer as of the end of the day on December 31, 2006 excluding any former employee who was more recently employed by a member of the Morgan Stanley Group that is not a Discover Employer; and
 3. Any person who receives regular and stated compensation from, and is treated as an employee for wage withholding purposes by a Discover Employer on or after January 1, 2007.

The Plan categorizes the following types of Employees:

 1. "Pre-1991 Employees" include:
 - A. "Pre-1991 SFGE (Sears Family Grandfathered Employees)":
 - i. hired by any controlled group member on or before January 1, 1985; and
 - ii. employed by an Employer on January 1, 1986; and
 - iii. transferred from either Sears or Allstate:
 - a. to SPS prior to February 25, 1992; or
 - b. to DFS prior to June 30, 1993 and completes at least 12 months of service following the transfer.
 - B. "Pre-1991 Non-SFGE": employed by an Employer before January 2, 1991 and does not meet all of the above criteria.
 2. "Post-1991 Employees": hired by an Employer or transferred to an Employer from a controlled group member after January 1, 1991

Schedule SB, Part V — Summary of Plan Provisions

• Participation	Any Employee of an employer will become a Participant in the Plan once he has both: 1. attained age 21; and 2. Completed a year of eligibility service. The Plan categorizes the following types of Participants: 1. “Pre-2004 Participants” are Employees who became Participants at any time prior to January 1, 2004. They are further categorized as either: A. “Grandfathered Participants” who meet either of these eligibility requirements: i. Pre-2004 Participants whose age plus Vesting Service is at least equal to 65, with at least five years of Vesting Service as of December 31, 2003; or ii. Pre-1991 SFGEs. - OR B. “Non-grandfathered Participants” who are those Pre-2004 Participants who do not meet either of the eligibility requirements. 2. “Post-2003 Participants”: Employees who became participants on or after January 1, 2004.
• Eligibility service	Prior to 2004, employees are entitled to a year of eligibility service if they have completed 1,000 hours of service during any 12-month period ending on their employment anniversary date. After 2003, employees are entitled to a year of eligibility service for any period of service, whether or not consecutive, equal to 12 months.
• Vesting service	• Pre-2004 Participants with at least 3 years of vesting service at January 1, 2003: 1/12th of a year for each calendar month (or portion thereof) during which the Employee is employed by an Employer and/or a controlled group member. • Pre-2004 Participants with less than 3 years of vesting service at January 1, 2003: 1/12th of a year for each calendar month (or portion thereof) during which the Employee is employed by an Employer and/or a controlled group member for service prior to January 1, 2003, plus 1/365th of a year for each day of employment for service after January 1, 2003. • Post-2003 Participants: 1/365th of a year for each day of employment. All periods of employment (whether or not continuous) will be aggregated in computing Vesting Service and will also include any period of leave of absence.
• Benefit service	Pre-1991 Employees: 1/12th of a year for each calendar month (or portion thereof) of employment Post-1991 Employees: 1/12th of a year for each calendar month (or portion thereof) of employment after the completion of one year of Vesting Service. For purposes of computing Benefit Service for each type of Employee, any period of unpaid leave of absence, with the exception of maternity or paternity leave, in excess of 12 months will be disregarded.

Schedule SB, Part V — Summary of Plan Provisions

Normal retirement	
• Age	• Pre-1991 SFGE: Age 60 • Pre-1991 Non-SFGE: Age 65 • Post-1991 Employee who is a Pre-2004 Participant: Age 65 • Post-2003 Participants: The latest of Age 65 and completion of 5 years of vesting service, but no later than the date required under Section 411(a)(8).
• Date	<u>For purposes of determining the timing of benefit commencement</u> • For Pre-1991 SFGEs: the first day of the month following attainment of age 65 • For all other participants hired before 2004: first day of the month coincident with or next following attainment of Normal Retirement Age • For participants hired after 2003: First day of the month following attainment of Normal Retirement Age <u>For all other purposes</u> • For Pre-1991 SFGEs: the first day of the month coincident with or next following attainment of age 65. • For all other participants: First day of the month coincident with or next following attainment of Normal Retirement Age.
• Compensation	<u>Prior to 2004:</u> Total cash compensation paid to a participant for services rendered to an Employer as an Employee, including pre-tax employee deposits under any qualified profit sharing or stock bonus plan maintained by an Employer, or under Code section 125 or 132(f)(4), and, beginning January 1, 1995, compensation deferred under the Dean Witter, Discover & Co. Tax Deferred Equity Participation Plan, the SPS Transaction Service, Inc. Tax Deferred Equity Participation Plan (the "TDEPPs") or the Dean Witter, Discover & Co. Capital Accumulation Plan ("CAP") in the year such deferrals are made, but excluding numerous items such as awards and prizes, supper money, long-term disability payments, etc. <u>After 2003:</u> Total cash compensation paid to an employee while a participant in the Plan for services rendered to an Employer as an Employee, including pre-tax employee deposits under Code section 401(k), 125, 129 or 132(f)(4), but excluding numerous items such as awards and prizes, supper money, long-term disability payments, etc.
• Application of Compensation and Benefit Limits	For all participants, the normal retirement, early retirement or deferred vested pension is determined as the greater of 1 or 2: 1. The participant's benefit determined by applying the \$150,000 cap on compensation (as indexed for cost-of-living increases) to all years of service through 2001 and \$170,000 compensation limit after 2001; and 2. The sum of A and B: A. The participant's benefit determined as of December 31, 1993 under the \$200,000 cap on compensation (as indexed for cost-of-living increases), however, the pre-1978 benefit under the Sears and Allstate formulas must be determined with the \$150,000 cap on compensation; and B. The participant's benefit for service after December 31, 1993 under the \$150,000 cap on compensation (as indexed for cost-of-living increases) through 2001 and \$170,000 compensation limit after 2001. The maximum benefit permitted under IRC Section 415 is \$185,000 for 2008 (\$180,000 for 2007) beginning at age 65. This benefit limit is reduced for earlier retirement or if a member has fewer than ten years of Credited Service.

Schedule SB, Part V — Summary of Plan Provisions

• Final average earnings	Monthly average of the compensation paid to the participant during the five consecutive calendar years for which earnings were highest within the last ten consecutive calendar years immediately preceding termination of employment (or the monthly average for the entire period of employment, if less than five calendar years).
• Covered Compensation	Average of the Social Security Taxable Wage Bases for the 35 year period ending with the year the participant attains Social Security Normal Retirement Age.
• DFS benefit	The formula has three components: 1. Base Benefit = 1.1% of Final Average Earnings multiplied by Benefit Service. 2. Additional Benefit = 0.65% of the excess of Final Average Earnings over Covered Compensation, multiplied by Benefit Service (up to a 35-year maximum). 3. Career Average Benefit = 1% of each year's Compensation plus 0.5% of each year's Compensation in excess of the participant's Social Security Covered Compensation for the year. Grandfathered Participants' benefits equal the greater of A and B: A. 1 + 2 based on Benefit Service through termination date B. 1 + 2 based on Benefit Service through December 31, 2003 plus 3 based on Benefit Service from January 1, 2004 to termination date Non-grandfathered Participants are determined under Formula B above only. Post-2003 Participants are determined under Formula 3 above only.
• Amount of Pension Benefit	Pre-1991 SFGE: The benefit is calculated in three steps: 1. A full career benefit is calculated under the Sears Benefit formula, the Allstate Benefit formula and the DFS Benefit formula. 2. Each full career benefit is pro-rated based on actual Sears service, actual Allstate service, and DFS service following transfer, respectively, as compared to total service. 3. The total benefit is equal to the sum of these prorated pieces. Pre-1991 Non-SFGE: The benefit is calculated in three steps: 1. A full career benefit is calculated under the Sears Benefit formula (if applicable), the Allstate Benefit formula and the DFS Benefit formula. 2. Each full career benefit is pro-rated based on actual Sears service, DFS service up to December 31, 1999 (applied to the Allstate formula), and DFS service after December 31, 1999 (applied to the DFS formula), respectively, as compared to total service. 3. The total benefit is equal to the sum of these prorated pieces. For all employee groups, the amount paid from the DFS Pension Plan is equal to the total benefit, reduced by the benefit payable from the Sears Pension Plan and/or the Allstate Retirement Plan (if any). There is a minimum benefit equal to the benefit the participant had earned on December 31, 1988, as determined under the terms of the Plan in effect on December 31, 1988. There is a minimum benefit equal to \$20 per month per year of Benefit Service for SPS participants.

Schedule SB, Part V — Summary of Plan Provisions**Early commencement**Pre-1991 Employees, DFS Benefit Formula*Eligibility*

20 years of Vesting Service and age 55 or older at commencement

Reductions

1. Base Benefit:
 - A. Age 55 upon termination: 4.8% per year from age 63.
 - B. Under age 55 at termination: 4.8% per year from age 65.
2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
3. Career Average Benefit: 6% per year from normal retirement date.

Eligibility

Terminated on or after October 1, 2003 with less than 20 years of Vesting Service and age 55 or older at commencement

Reductions

Normal retirement benefit: 6% per year from normal retirement date.

Post-1991 Employees, DFS Benefit Formula*Eligibility*

10 years of Vesting Service and age 55 upon termination

Reductions

1. Base Benefit: 5% per year from age 65
2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
3. Career Average Benefit: 6% per year from normal retirement date.

Eligibility

5 years of Vesting Service but less than 10 years of Vesting Service, and age 55 or older at commencement.

Reductions

Normal retirement benefit: 6% per year from age 65.

Allstate Benefit Formula*Eligibility*

According to the Plan's provisions applicable by group: Pre-1991 SFGE, Pre-1991 Non-SFGE, or Post 1991 Employee.

Reductions

1. Post-1988 Base Benefit, 1978-1988 Benefit, and Pre-1978 Benefit: 4.8% per year from age 60.
2. Post-1988 Additional benefit: 8% per year from 65 to 62 and 4% per year from age 62 to 55.

Sears Benefit Formula*Eligibility*

According to the Plan's provisions applicable by group: Pre-1991 SFGE, Pre-1991 Non-SFGE, or Post-1991 Employee.

Reductions

1. Base Benefit:
 - A. 5% per year from age 63 to 55, if age 55 and 20 years of Vesting Service as of December 31, 1999.
 - B. 5% per year from age 65 to 55, if age 55 and 10 years of Vesting Service at termination.

Schedule SB, Part V — Summary of Plan Provisions

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2. Additional Benefit: 8% per year from age 65 to 62 and 4% per year from age 62 to 55.
 3. 1978-1988 Updated Benefit: 5% per year from age 63 to 55.
 4. Immediate Credit Benefit: 5% per year from age 63 to 55.
 5. Pre-1978 Benefit is reduced 6% per year from age 60 to 55, except for highly compensated Pre-1991 Non-SFGEs and Post-1991 Employees, for whom the portion of the Pre-1978 benefit accrued after September 30, 1995 is reduced 5% per year from age 63.

The total benefit will be actuarially reduced to age 55, if less than age 55 or less than 10 years of Vesting Service at termination

SPS Non-Highly Compensated Non-SFGEs Hired Before January 1, 1986:
Special rules apply to participants in this category. These rules apply only to the benefit accrued up to December 31, 1996.

SPS Highly compensated Pre-1991 SFGEs Special rules apply with respect to benefits accrued on or after October 1, 1995.

Benefits

- Allstate Benefit

The sum of 1 + 2 + 3:

1. Post 1988 Benefit: the sum of A + B:
 - A. Base Benefit: 1.55% of Final Average Earnings multiplied by Benefit Service after 1988; and
 - B. Additional Benefit: 0.65% of the excess of Final Average Earnings over Covered Compensation multiplied by Benefit Service after 1988
2. 1978-1988 Benefit: 0.18 multiplied by A, plus A multiplied by B
 - A. 2.125% of Final Average Earnings as of December 31, 1988 multiplied by his service after 1977 up to December 31, 1988, minus the social security offset as of that date. This social security offset will never be greater than 50% of the benefit before the offset is applied.
 - B. Final Average Earnings at determination over Final Average Earnings at December 31, 1988;
3. Pre-1978 Benefit: 1.18 multiplied by A + B, plus C:
 - A. Past Service Element: 0.2% of monthly compensation in 1978 (limited to \$1,250) multiplied by full years of Benefit Service earned prior to 1979
 - B. Prior Service Element: 2.125% of Final Average Earnings as of December 31, 1988 in excess of \$1,250, multiplied by Benefit Service earned prior to 1978
 - C. 2.125% of the difference between Final Average Earnings at determination and Final Average Earnings as of December 31, 1988, multiplied by Benefit Service earned prior to 1978.

The Benefit Service used to determine the Allstate benefit (except for the Past Service Element) is limited to 28 years.

Participants who retire between the ages of 55 and 60 and after the completion of 20 years of Vesting Service and before December 31, 1999 may be entitled to certain beef-up provisions affecting their benefit.

Schedule SB, Part V — Summary of Plan Provisions

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- **Sears Benefit**

The sum of 1, 2, 3, 4, and 5:

 1. **Base Benefit:** the sum of A + B
 - A. 1.00% of Final Average Earnings multiplied by the lesser of Benefit Service from January 1, 1978 through December 31, 1988 and Benefit Service after 1988
 - B. 0.85% of Final Average Earnings multiplied by the difference between Benefit Service after 1988 and Benefit Service from January 1, 1978 through December 31, 1988
 2. **Additional Benefit:** 0.65% of the excess of Final Average Earnings over Covered Compensation, multiplied by Benefit Service after 1988, limited to 35 years minus Benefit Service before 1989.
 3. **1978-1988 Updated Benefit:** A multiplied by the difference between B times C and D
 - A. The ratio of the participant's Final Average Earnings at determination over the Final Average Earnings at December 31, 1988, but not less than one.
 - B. The sum of (i) and (ii) based on Benefit Service between January 1, 1978 and January 1, 1989:
 - i. 1.5% of Benefit Service before age 50 and 15 years of Continuous Service
 - ii. 2.0% of Benefit Service after age 50 and 15 years of Continuous Service
 - C. Final Average Earnings as of December 31, 1988
 - D. The social security offset as of December 31, 1988, but not more than 50% of B times C.
 4. **Immediate Credit:** 0.2% of monthly compensation in 1976 or 1977, whichever is higher (limited to \$1,250), multiplied by full years of Benefit Service earned prior to 1978.
 5. **Pre-1978 Benefit:** For participants with accrued Supplemental Benefits in the Sears Supplemental Plan on or before December 31, 1977, 1.5% of Final Average Earnings at determination in excess of \$1,250 multiplied by Benefit Service earned prior to 1978.

For purposes of calculating these benefits, Benefit Service excludes the first year of service.

Schedule SB, Part V — Summary of Plan Provisions

Death BenefitsBenefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants*Pre-1991 SFGEs:*

A death benefit is payable to the spouse, or beneficiary equal to the lump-sum value of the participant's accrued benefit at the date of death.

Pre-1991 Non-SFGEs

If a participant dies after attaining eligibility for early or normal retirement, the benefit payable to his spouse or domestic partner will be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. Payments begin immediately.

If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months.

If a participant dies prior to becoming eligible for early retirement, the benefit payable to his spouse or domestic partner shall be equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. If the participant is single at the date of death, his beneficiary will receive the participant's accrued benefit reduced for early commencement for a period of 60 months.

Post-1991 Employees:

If a participant dies after attaining age 65 or dies while active and after attaining age 55 and completing 10 years of Vesting Service, the benefit payable to his spouse or domestic partner will be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months.

If a participant dies while active, prior to attaining age 55 and completing 10 years of Vesting Service, the benefit payable to his spouse or domestic partner shall be equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. If the participant is single at the date of death, his beneficiary will receive the participant's accrued benefit reduced for early commencement for a period of 60 months.

Schedule SB, Part V — Summary of Plan Provisions

Death Benefits (Continued)	If a participant dies after leaving the company and attaining age 55 and completing 20 or more years of Vesting Service, and before payments commence, death benefits will be payable to his spouse, domestic partner or beneficiary. If the participant is married, the spouse's benefit shall be equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a 100% joint and survivor annuity. If the participant is single at the date of death, his beneficiary will receive a benefit equal to the pension the participant would have received had he retired on the date of his death with immediate payment of a life and 10-year certain annuity. The beneficiary will receive payments for a period of 120 months. If a participant dies after leaving the company before age 55 and/or before completing 20 or more years of Vesting Service, the spouse will receive a benefit equal to 50% of the participant's accrued benefit reduced for any early commencement and for the 50% joint and survivor annuity form of payment. Payments will commence at age 55. If the participant is single at the date of death, no benefits are payable from the Plan. <u>Benefit Accruals after December 31, 2003 for Non-grandfathered Participants</u> A death benefit is payable to the surviving spouse or domestic partner of a Non-grandfathered Participant. The death benefit is equal to the participant's accrued benefit at the date of death, payable in the form of a 50% joint and survivor annuity and reduced for any early commencement. There are no death benefits for unmarried participants without domestic partners. <i>Timing of payment</i> All death benefits are payable immediately following the participant's death. Surviving spouses may elect to defer the payment of the death benefit up to the time the participant would have reached age 65.
Form of benefits	- Automatic form for unmarried participants Life annuity - Automatic form for married participants Reduced equivalent 50% joint and survivor pension. Under this form of payment, the participant will receive a reduced amount for his lifetime and, in the event of his death, 50% of his pension will continue to his surviving spouse. - Optional forms The participant may elect, with spousal consent, to receive his pension under an optional form of payment. <u>Benefit Accruals through December 31, 2003 for All Participants and Post-2003 Benefit Accruals for Grandfathered Participants:</u> <i>Pre-1991 Employees:</i> Single life, joint & 50% survivor, joint and 100% survivor, 10-year certain and life, joint and 50% last survivor, 10-year certain and joint and 50% survivor, or lump sum forms of payment. <i>Post-1991 Employees:</i> Single life, joint & 50% survivor; joint and 100% survivor, 10-year certain and life, joint and 50% "pop-up," joint and 100% "pop-up," 10-year certain and joint and 100% survivor forms of payment, and, in certain cases, lump sum. The Plan was amended effective December 31, 2002 to eliminate the lump sum option for benefits that accrue after December 31, 2002 (except for de minimus amounts).

Schedule SB, Part V — Summary of Plan Provisions

Effective January 1, 2004, the following additional annuity options are available to Pre-1991 and Post-1991 Employees: joint and 75% survivor, and 5-year certain and life.

The participant may elect, with spousal consent, to receive his pension under an optional form of payment.

Benefit Accruals after December 31, 2003 for Non-grandfathered Participants:

Single life, 50%, 75%, or 100% joint and survivor annuity, 5-year certain and life annuity, and 10-year certain and life annuity. A participant may elect to take their entire benefit (Pre-2004 and Post-2003 accruals) in one of these optional forms to the extent that the form of payment was not previously available.

If the present value of a terminated participant's vested accrued retirement benefit is not greater than \$1,000, the value of the participant's benefit is paid in a lump sum. Effective January 1, 2007, if the present value is not greater than \$5,000, the participant may elect to receive a lump sum.

- Optional form (other than lump sum) conversion factors

Post-2003 Benefit Accruals

For benefits accrued on or after January 1, 2004, the amount of any optional form of payment other than a lump sum shall be computed using the 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate.

Non-SFGE Employees

Pre-1991 Employees:

Form of Payment	Percentage of Monthly Retirement Income
Joint and Survivor	95%
Life and 10-Year Certain	95%
50% Joint and Survivor	100%
100% Joint and Survivor	85%
10-Year Certain and Joint and Contingent	93%

Post-1991 Employees:

The amount of any optional form of payment other than a lump sum shall be computed using the UP-1984 Mortality Table and an 8% interest rate.

Pre-1991 SFGE Employees

The greater of 1. or 2.

1.

Form of Payment	Percentage of Monthly Retirement Income
Joint and Survivor	87.5%
Life and 10-Year Certain	93.0%
50% Joint and Survivor	92.5%
100% Joint and Survivor	Described in Supplement A-1
10-Year Certain and Joint and Contingent	Described in Supplement A-1

OR

Schedule SB, Part V — Summary of Plan Provisions

	2. The 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate. <u>Article II and III employees</u> For any purpose for which an Actuarial Equivalent is not otherwise specified under the Plan, Actuarial equivalent shall be determined on the basis of the following assumptions: For benefits accrued prior to January 1, 2004: The UP-1984 Mortality Table for participants and the UP-1984 Mortality Table with age set back three years for spouses or beneficiaries and a 7% interest rates. For benefits accrued on or after January 1, 2004: The 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate. For participants that elect to take the entire accrued benefit as a 75% joint and survivor or 5 year certain and life form of payment, the benefit shall be computed using the 1994 Group Annuity Reserving Table (50% male/50% female) and a 7% interest rate.
• Lump Sum Basis	The interest rates are the three segment interest rates derived from the high-quality corporate-bond yield curve (AAA, AA and A ratings), for the first month of the calendar quarter. The mortality table is the 50/50 male/female blend of the combined non-annuitant/annuitant mortality table as prescribed in IRS Revenue Ruling 2007-67.
Miscellaneous	
• Other provisions	Effective January 1, 2008, the Plan began providing an increase of 3%, 5% or 7%, to the benefit otherwise determined, for specified participants in the eligible class age 63, 64 or 65 on January 1, 2008.

Benefits included or excluded

Unless noted below, all benefits provided by the plan, as restated and amended through the Second Amendment to Discover Financial Services Pension Plan effective as of January 1, 2014, are included in this valuation.

- **Most recent plan amendments included:** The Second Amendment to Discover Financial Services Pension Plan effective as of January 1, 2014.
- **Plan amendments excluded:** None
- **Late retirement increases:**
 - *Active participants:* The plan provides benefit suspension notices to participants who work beyond normal retirement; therefore, late retirement actuarial increases only apply to participants who defer retirement beyond age 70½. This valuation includes increases for current participants over age 70½.
 - *Deferred vested participants:* Current deferred vested participants over normal retirement age are valued including the late retirement actuarial increase.

Schedule SB, Part V — Summary of Plan Provisions

- **Internal Revenue Code limitations:** The limitations of Internal Revenue Code Section 415(b) and 401(a)(17) have been incorporated into our calculations.
- **IRC Section 416 rules for top-heavy plans:** The plan was frozen effective December 31, 2008, and no further benefits will accrue after that date. Years after 2008 are not counted toward determining top-heavy minimum benefits for non-key employees and, thus, we did not test whether this plan is top-heavy (meaning the present value of benefits for key employees exceeds 60 percent of the present value of cumulative accrued benefits for all participants). In addition, we expect that the plan has never been top-heavy due to the large number of rank-and-file participants; therefore, the funding target and target normal cost do not reflect any liability for top-heavy benefit accruals.

Plan provisions specific to funding**Additional benefits included or excluded**

- **IRC Section 436 benefit restrictions:**
 - *Unpredictable contingent event benefits:* This valuation excludes restricted contingent event benefits that occurred before the valuation date but includes contingent event benefits which are expected to occur on or after the valuation date regardless of anticipated funding-based limitations.
 - *Plan amendments:* See above.
 - *Prohibited payments:* Limitations on prohibited benefits (if any) are reflected for annuity starting dates before the valuation date but are ignored for annuity starting dates on or after the valuation date.
 - *Benefit accruals:* Not applicable because the plan is frozen.

Plan Provision Changes Since Prior Valuation

None.

DISCOVER FINANCIAL SERVICES PENSION PLAN

EIN: 36-2517428

Plan: 004

FORM 5500, SCHEDULE H, LINE 4i — SCHEDULE OF ASSETS
(HELD AT END OF YEAR)

As of December 31, 2024

(a) Identity of Issuer	(b) Description of Investment	(c) Cost	(d) Current Value
INTEREST-BEARING CASH			
INTEREST-BEARING CASH	Interest-bearing cash at broker	\$ 16,105,461	\$ 16,105,461
TOTAL INTEREST-BEARING CASH		16,105,461	16,105,461
U.S. GOVERNMENT SECURITIES			
U.S. GOVERNMENT	U.S. Treasury Bond principle strip, due 5/15/2047	8,649,780	6,862,454
U.S. GOVERNMENT	U.S. Treasury Bond principle strip, due 8/15/2047	15,140,883	11,947,241
TOTAL U.S. GOVERNMENT SECURITIES		23,790,663	18,809,695
COMMON/COLLECTIVE TRUSTS			
GOLDMAN SACHS*	Goldman Sachs Collective Trust Long Duration Credit Fund	241,710,649	256,678,408
GOLDMAN SACHS*	Goldman Sachs Collective Trust Intermediate Duration Credit Fund	163,518,623	174,701,214
BNY MELLON*	EB Temporary Investment Fund	16,442,953	16,442,953
TOTAL COMMON/COLLECTIVE TRUSTS		421,672,225	447,822,575
MUTUAL FUNDS			
GOLDMAN SACHS*	Goldman Sachs Trust II - Multi-Manager Non-Core Fixed Income Fund	1	1
TOTAL MUTUAL FUNDS		1	1
TOTAL INVESTMENTS		<u>\$ 461,568,350</u>	<u>\$ 482,737,732</u>

* Represents a party-in-interest

See accompanying independent auditor's report.

Schedule SB, line 24 — Change in Actuarial Assumptions

- Interest discounts and mortality rates were updated from 2023 to 2024 in accordance with PPA.
- The expected investment return decreased from 5.16% to 4.31%.
- The expense component of normal cost changed from \$2,700,000 to \$2,200,000 to reflect our expectations for the current plan year.
- The lump sum mortality assumption was updated from RP-2014 fully generational table backed out to 2006, blended for annuitants and non-annuitants, using mortality improvement Scale MP-2021, blended 50% male and 50% female to Pri-2012 blended for annuitants and non-annuitants, using mortality improvement 2024 Adjusted Scale MP-2021(modified to reflect 0% rate of mortality improvement during the period 2020-2023 and maximum rate of mortality improvement of 0.78% in any future year), blended 50% male and 50% female.