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June 14, 2024

VIA EZFile

Brent Hassell
Assistant Vice President
The Federal Reserve Bank of Richmond
P.O. Box 27622
Richmond, VA 23261

Re: Additional Information Regarding Application by Capital One Financial Corporation to Acquire Discover Financial Services (the "Additional Information Request")

We are submitting this letter and the related exhibits in response to your request for additional information, dated May 23, 2024, regarding the application seeking the prior approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve") for Capital One Financial Corporation ("Capital One"), the parent of Capital One, N.A., to acquire Discover Financial Services ("Discover") and thereby acquire control of its subsidiary bank, Discover Bank (the "Application"). For ease of reference, your questions are included in bold with the responses immediately following. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the Application.

* * *

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Confidential treatment is being requested under the federal Freedom of Information Act, 5 U.S.C. § 552 (the “FOIA”), and the implementing regulations of the Board of Governors of the Federal Reserve System (the “Federal Reserve”), for the information contained in the Confidential Exhibits Volume to this application (the “Confidential Materials”). The Confidential Materials include, for example, nonpublic pro forma financial information and information regarding the business strategies and plans of (1) Capital One Financial Corporation (“COFC”), Vega Merger Sub, Inc. (“Merger Sub”) and Capital One, National Association (“CONA”) and (2) Discover Financial Services (“Discover”) and Discover Bank, and other information regarding additional matters of a similar nature, which is commercial or financial information that is both customarily and actually treated as private by COFC, Merger Sub, CONA, Discover and Discover Bank and provided to the government under an assurance of privacy. Certain information in the Confidential Materials also includes confidential supervisory information, which is protected from disclosure. None of this information is the type of information that would otherwise be made available to the public under any circumstances. All such information, if made public, could result in substantial and irreparable harm to COFC, Merger Sub, CONA, Discover and Discover Bank. Other exemptions from disclosure under the FOIA may also apply. In addition, investors and potential investors could be influenced or misled by such information, which is not reported in any documents filed or to be filed in accordance with the disclosure requirements of applicable securities laws, as a result of which COFC, Merger Sub, CONA, Discover and Discover Bank could be exposed to potential inadvertent violations of law or exposure to legal claims. Accordingly, confidential treatment is respectfully requested for the Confidential Materials under the FOIA and the Federal Reserve’s implementing regulations.

Please contact the undersigned (212-403-1354) or Matthew T. Carpenter (212-403-1031) before any public release of any of this information pursuant to a request under the FOIA or a request or demand for disclosure by any governmental agency, congressional office or committee, court or grand jury. Such prior notice is necessary so that COFC, Merger Sub, CONA, Discover and Discover Bank may take appropriate steps to protect such information from disclosure.

If you have any questions about this submission or confidential treatment request, please do not hesitate to contact me.

Very truly yours,



Richard K. Kim

WACHTELL, LIPTON, ROSEN & KATZ

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Enclosures

cc (by email):

Patricia Roberts, Office of the Comptroller of the Currency
(patricia.roberts@occ.treas.gov)

Jeffrey Ralston, Federal Deposit Insurance Corporation
(jralston@fdic.gov)

Lisa Collison, Delaware Office of the State Bank Commissioner
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Brandon C. Price, Wachtell, Lipton, Rosen & Katz
Matthew T. Carpenter, Wachtell, Lipton, Rosen & Katz

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**Capital One Financial Corporation Public Responses to Additional Information Request
from the Federal Reserve Bank of Richmond, dated May 23, 2024**

Section 4 of the BHC Act

- 1. Exhibit 1 of Capital One’s Additional Information Response dated April 11, 2024 (“April 11 Response”), notes that DFS Services LLC engages in “borrowings” *inter alia*. Explain the activity of “borrowings” in greater detail.**

DFS Services LLC (“DFS Services”) engages in “borrowing” activity solely with its affiliates consisting of short-term intercompany notes with Discover, Diners Club International Ltd. (“DCI”) and Pulse Network LLC (“Pulse”). DFS Services is DCI’s and Pulse’s immediate parent. Each of Discover, DCI and Pulse acts as a lender to DFS Services under their respective notes. DFS Services borrows money under short-term notes from Discover as needed for operational purposes. The short-term notes with DCI and Pulse are used to manage cash between DFS Services, DCI and Pulse. When DCI or Pulse have excess cash, they lend their excess cash to DFS Services. This transfer of cash to DFS Services is made as an advance on the applicable note, resulting in an increase in the outstanding note balance equal to the cash advance amount. When DCI or Pulse are in need of cash, DFS Services transfers cash to them as repayment on the note, resulting in a decrease in the outstanding note balance equal to the cash repayment amount.

- 2. Regarding Diners Club International Ltd.:**
 - a. Describe Diners Club International Ltd.’s activities in greater detail. In your description, identify the countries in which Diners Club International Ltd. operates, and describe in detail the operations of Diners Club International Ltd. in each identified country.**

DCI operates an international payments network in approximately 200 countries outside of the United States. DCI’s activities consist of:

- Entering into licensing agreements with Merchants, Acquirers and other Payment Services Providers (“PSP”) to enable acceptance including ATM, POS and via digital channels for “Diners Club” branded products, Discover branded products and for other network participants.
- Entering into licensing agreements with Issuers (Banks, e-money Issuers, Fintechs) to issue Diners Club branded products and programs (credit/debit/prepaid) to consumers and businesses customers (commercial).

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- Providing network payments processing support (authorization, clearing, settlement, disputes/chargeback) to licensed Acquirers, PSPs, Issuers and other network participants.
- Assisting licensed Merchants, Acquirers and Issuers in developing brand and other marketing programs in their respective jurisdictions.
- Providing operational support to licensed participants (Issuers, Merchants, Acquirers, PSPs, etc.) to comply with Discover's operational regulations and technical program documentation.
- Developing and licensing payment-related products and services, such as EMV chip products for the licensed participants.

Please see [Exhibit A](#) for the list of countries in which DCI conducts these activities. Additional details with respect to DCI's services and activities are provided in the response to Question 9.

- b. Exhibit 1 of the April 11 Response notes that Diners Club International Ltd. engages in “operat[ing] a global payments network of licensees.” Provide further detail regarding this activity. In addition, describe whether Diners Club International Ltd. is operating this global payments network as principal, licensing intellectual property related to the network, or both.**

DCI is operating this global payments network as a principal and is licensing intellectual property related to the network to licensed participants. Please see the responses to Question 2(a) and Question 9.

- 3. Exhibit 1 of the April 11 Response states that the activities of Diners Club Services Private Ltd., Mumbai, India, include, among other things, “business consulting and advisory services.” Provide a list of the entities for which Diners Club Services Private Ltd. provides business consulting and advisory services. Confirm, if such is the case, that Diners Club Services Private Ltd. does not provide business consulting and advisory services to any unaffiliated third parties.**

Diners Club Services Private Ltd. (“[DCSPL](#)”) does not provide any business consulting or advisory services to any unaffiliated third parties, including DCI-licensed participants. All business consulting and advisory services provided by DCSPL are provided solely to its affiliates pursuant to inter-affiliate contracts with DCI and DFS Services. Services provided to DCI include consulting and advisory services within the Asia Pacific region. In addition, DCSPL provides customer services and support to DCI-licensed participants on behalf of DCI. DCSPL focuses in particular on DCI-licensed participants located in India and the Asia Pacific region.

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Additional details are provided in the response to Question 9.

- 4. Confirm, if such is the case, that Diners Club Taiwan Ltd., Taipei, Taiwan, does not conduct any transactions with or offer services to unaffiliated third parties regardless of whether the third parties are charged and regardless of whether any income is generated.**

Diners Club Taiwan Ltd., Taipei, Taiwan (“Diners Club Taiwan”) does not conduct any transactions with or offer services to unaffiliated third parties, including its licensed participants (regardless of whether the third parties are charged and regardless of whether any income is generated). All services provided by Diners Club Taiwan are provided solely to affiliates pursuant to inter-affiliate contracts with DCI, DFS Services and Pulse.

Pursuant to these inter-affiliate contracts, and on behalf of the applicable affiliate(s), Diners Club Taiwan provides customer services and support to DCI-licensed participants based in Taiwan and in the Asia Pacific region.

Additional details are provided in the response to Question 9.

- 5. Describe in detail all activities that Diners Club Taiwan Ltd., Taipei, Taiwan, conducts “as incidental to its servicing of affiliates,” to the extent not already described in the April 11 Response.**

As noted above, Diners Club Taiwan provides customer service and support to DCI-licensed participants based in Taiwan and in the Asia Pacific region on behalf Diners Club Taiwan’s applicable affiliates. These services are often requested by the licensed participant.

- 6. Provide a list of the partners that Discover Global Employment Company Private Limited assists or supports. Discuss whether Discover Global Employment Company Private Limited conducts any transactions with or offer services to unaffiliated third parties.**

Diners Club Global Employment Company Private Ltd. (“DGEC”) does not conduct any transactions with or offer services to unaffiliated third parties, including DCI-licensed participants. All services provided by DGEC are provided pursuant to inter-affiliate contracts with DCI, DFS Services and Discover Financial Services (UK) Limited.

Pursuant to these inter-affiliate contracts, and on behalf of the applicable affiliate(s), DGEC and its branch offices provide customer services and support to DCI-licensed participants.

Additional details are provided in the response to Question 9.

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7. **Confirm, if such is the case, that all of Discover Ventures, Inc.’s minority interest investments conform fully to the requirements of section 4(c)(6) of the BHC Act.¹**

Discover has confirmed that all of Discover Ventures, Inc.’s minority interest investments conform fully to the requirements of section 4(c)(6) of the BHC Act.

8. **Question 1(b) of the Letter from the Federal Reserve Bank of Richmond dated April 1, 2024 (“April 1 Letter”), requested information regarding the permissibility of certain Discover Bank subsidiaries during the period beginning with the consummation of the merger of Vega Merger Sub, Inc. with and into Discover and ending with the consummation of the merger of Discover Bank with and into CONA (the “Intermediate Period”).**

Federal Reserve staff note that additional limitations apply to investments by bank holding companies made indirectly through state-chartered bank subsidiaries. *See* 12 CFR 225.22(e)(2)(i) (permitting a bank holding company, through its state-chartered bank subsidiary, “to acquire or retain securities . . . of the kinds and amounts *explicitly eligible by federal statute* for investment by a national bank” (emphasis added)); 12 CFR 225.22(e)(2)(ii) (permitting a bank holding company, through its state-chartered bank subsidiary, “to acquire or retain all (but, except for directors’ qualifying shares, not less than all) of the securities of a company” engaged in certain activities permissible for the bank to conduct directly.

In light of the above, please respond to the following items:

- a. **For each nonbank company listed in Exhibit 1 of the April 11 Response that is a subsidiary of Discover Bank, identify with specificity the authorities under section 4 of the BHC Act and the Board’s Regulation Y that Capital One intends to use to hold the voting shares of the company during the Intermediate Period. Provide citations to relevant authorities.**
- b. **For all of Discover Bank’s public welfare funds and investments, discuss how these investments would be permissible for Capital One to hold during the Intermediate Period. Provide citations to relevant authorities.**

Please see Exhibit B.

¹ 12 U.S.C. § 1843(c)(6).

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9. **Question 1(a) of the April 1 Letter requested Capital One describe in detail the activities of each nonbank company in the Discover organization, including subsidiaries of Discover and subsidiaries of Discover through Discover Bank, that Capital One proposes to acquire. Exhibit 1 of the April 11 Response provides a high-level summary of the business model and certain activities of these nonbank companies. To the extent not already described in response to the questions above, for each nonbank company in the Discover organization that Capital One proposes to acquire, provide a complete list of all activities conducted by that entity, including any *de minimis* activities or activities which do not necessarily generate revenue. Describe in granular detail the nature of each activity conducted by each nonbank company in the Discover organization, including a detailed description of each product or service offered to affiliates or unaffiliated third parties.**

Please see Exhibit C.

10. **Identify and estimate the market share of the 10 largest competitors of Capital One for credit card issuance (i) overall and (ii) by borrower risk profile, including relevant categories such as deep subprime, subprime, near-prime, prime, super-prime and similar categories.**

Please see Confidential Exhibit 1.

11. **Provide copies of any studies or reports (including by third parties) that discuss competition dynamics or market shares in the relevant markets.**

Please see Confidential Exhibit 1.

12. **Identify and quantify any procompetitive efficiencies or synergies the transaction is expected to produce; and for each identified efficiency or synergy, identify the population or entities expected to benefit.**

Please see Confidential Exhibit 1.

13. **Provide Capital One's median annual percent rate and annual fee for credit card holders for each of the last 10 years both (i) overall and (ii) by borrower risk profile, including across relevant categories such as deep subprime, subprime, near-prime, prime, super-prime, and similar categories.**

Please see Confidential Exhibit 1.

PUBLIC EXHIBITS VOLUME

ADDITIONAL INFORMATION

to the

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

**related to the application
for Prior Approval for**

CAPITAL ONE FINANCIAL CORPORATION

to Acquire

DISCOVER FINANCIAL SERVICES

**pursuant to
Section 3 of the Bank Holding Company Act
and
Section 225.15 of Regulation Y**

June 14, 2024

PUBLIC EXHIBITS VOLUME
CAPITAL ONE FINANCIAL CORPORATION
June 14, 2024

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EXHIBIT A

The activities, products and services of DCI are described in the responses to Questions 2 and 9. In some jurisdictions, DCI may offer a more limited set of products and services than those described.

Country
AFGHANISTAN
ALBANIA
ALGERIA
ANDORRA
ANGOLA
ANGUILLA
ANTIGUA & BARBUDA
ARGENTINA
ARMENIA
ARUBA
AUSTRALIA
AUSTRIA
AZERBAIJAN
BAHAMAS
BAHRAIN
BANGLADESH
BARBADOS
BELGIUM
BELIZE
BENIN
BERMUDA
BOLIVIA
BONAIRE, SINT EUSTATIUS, SABA
BOSNIA AND HERZEGOVINA
BOTSWANA
BRAZIL
BRITISH VIRGIN ISLANDS
BULGARIA
BURKINA FASO
BURUNDI
CAMBODIA
CAMEROON
CANADA
CAPE VERDE ISLANDS
CAYMAN ISLANDS

Country
CHAD
CHILE
CHINA
CHINA, MACAO SPECIAL ADMINISTRATION REGION
CHRISTMAS ISLAND
COLOMBIA
CONGO
CONGO, DEMOCRATIC REPUBLIC OF THE
COSTA RICA
COTE D'IVOIRE (IVORY COAST)
CROATIA
CURACAO
CYPRUS
CZECH REPUBLIC
DENMARK
DJIBOUTI
DOMINICA
DOMINICAN REPUBLIC
ECUADOR
EGYPT
EL SALVADOR
ERITREA
ESTONIA
ETHIOPIA
FAEROE ISLANDS
FEDERATED STATES OF MICRONESIA
FIJI
FINLAND
FRANCE
FRENCH GUIANA
FRENCH POLYNESIA
GABON
GAMBIA
GEORGIA
GERMANY
GHANA
GIBRALTAR
GREECE
GREENLAND
GRENADA

Country
GUADELOUPE
GUATEMALA
GUERNSEY
GUINEA
GUYANA
HAITI
HOLY SEE (VATICAN CITY STATE)
HONDURAS
HONG KONG
HUNGARY
ICELAND
JORDAN
INDIA
INDONESIA
IRAQ
IRELAND
ISLE OF MAN
ISRAEL
ITALY
JAMAICA
JAPAN
JERSEY
KAZAKHSTAN
KENYA
KOSOVO
KUWAIT
KYRGYZSTAN
LAOS, PEOPLE'S DEMOCRATIC REBUPLIC
LATVIA
LEBANON
LESOTHO
LIBERIA
LIECHTENSTEIN
LITHUANIA
LUXEMBOURG
MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF
MADAGASCAR
MALAWI
MALAYSIA
MALDIVES

Country
MALI
MALTA
MARSHALL ISLANDS
MARTINIQUE
MAURITANIA
MAURITIUS
MEXICO
MOLDOVA, REPUBLIC OF
MONACO
MONGOLIA
MONTENEGRO
MOROCCO
MOZAMBIQUE
NAMIBIA
NEPAL
NETHERLANDS
NETHERLANDS ANTILLES
NEW CALEDONIA
NEW ZEALAND
NICARAGUA
NIGER
NIGERIA
NORWAY
OMAN
PAKISTAN
PALAU
PANAMA
PAPUA NEW GUINEA
PARAGUAY
PERU
PHILIPPINES
POLAND
PORTUGAL
QATAR
REUNION
ROMANIA
RWANDA
SAMOA
SAN MARINO
SAUDI ARABIA

Country
SENEGAL
SERBIA
SERBIA AND MONTENEGRO
SEYCHELLES
SIERRA LEONE
SINGAPORE
SINT MAARTEN (DUTCH PART)
SLOVAKIA
SLOVENIA
SOLOMON ISLANDS
SOMALIA
SOUTH AFRICA
SOUTH KOREA
SPAIN
SRI LANKA
ST. KITTS & NEVIS
ST. LUCIA
ST. VINCENT & THE GRENADINES
SUDAN
SURINAME
SWAZILAND
SWEDEN
SWITZERLAND
TAIWAN, PROVINCE OF CHINA
TAJIKISTAN
TANZANIA, UNITED REPUBLIC OF
THAILAND
TOGO
TONGA
TRINIDAD AND TOBAGO
TUNISIA
TURKEY
TURKMENISTAN
TURKS & CAICOS
UGANDA
UKRAINE (excluding Crimea, Donetsk, and Luhansk)
UNITED ARAB EMIRATES
UNITED KINGDOM
URUGUAY
UZBEKISTAN

Country
VANUATU
VENEZUELA
VIETNAM
ZAMBIA
ZIMBABWE

EXHIBIT B

During the period beginning with the consummation of the merger of Vega Merger Sub, Inc. into Discover Financial Services (“Discover”) and ending with the consummation of the merger of Discover Bank into Capital One, N.A. (“CONA”) (the “Intermediate Period”), the following are the specific authorities under Section 4 of the BHC Act and the Federal Reserve’s Regulation Y that Capital One intends to use to indirectly hold the nonbanking subsidiaries of Discover Bank. In addition, below is a discussion as to how Discover Bank’s public welfare funds and investments would be permissible for Capital One to hold during the Intermediate Period.

Nonbank Subsidiaries of Discover Bank

Name	Business Activity/Purpose of Subsidiary	Authority under Section 4 of the BHC Act and Regulation Y
Discover Funding LLC	This company provides services to Discover’s affiliates in connection with securitizations and does not act as a principal in dealing with third parties. It is the depositor entity for credit card securitization trusts. In this capacity, the company (x) transfers to the master trust credit card receivables and the allocated interchange that were transferred to the depositor by Discover Bank and (y) retains: (i) the residual interest in the master trust, (ii) the right to direct the issuance of new series from the master trust and (iii) the proceeds from those issuances.	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i) 12 U.S.C. § 1843(c)(1)(C) 12 C.F.R. § 225.22(b)(1) and (2)
GTC Insurance Agency, Inc.	GTC is an inactive subsidiary. It is licensed as an Insurer Producer in Delaware. The current license status is “Inactive.” GTC also holds an insurance brokerage license in all 50 states. Currently, GTC does not engage in the sale of insurance and will not do so during the Intermediate Period.	N/A (inactive subsidiary)
Discover Products, Inc.	The company provides customer service for Card Issuing and Deposit Gathering; marketing and credit risk management services in support of Card Issuing and Deposit Gathering, as well as Discover's other consumer banking businesses; finance, accounting, treasury, legal, compliance, and security and investigative services for all business lines; and payroll services for certain Discover executive	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i) 12 U.S.C. § 1843(c)(1)(C) 12 C.F.R. § 225.22(b)(1) and (2)

Name	Business Activity/Purpose of Subsidiary	Authority under Section 4 of the BHC Act and Regulation Y
	management. The company does not act as a principal in dealing with third parties.	
Discover Properties LLC	This company owns the real property and office buildings in Riverwoods, IL and New Albany, OH, which house employees and equipment in support of most businesses of Discover Bank.	12 U.S.C. § 1843(c)(1)(C) 12 C.F.R. § 225.22(b)(2)(vi)
The Student Loan Corporation	This company previously offered student loans and has ceased making new loans.	12 U.S.C. § 1843(c)(8) 12 C.F.R. § 225.28(b)(1)

Securitization Trusts owned by Discover Bank

Name	Business Activity/Purpose of Subsidiary	Federal Banking Regulatory Authority
Discover Card Execution Note Trust	Securitization trust that holds Discover Card Note Trust activity	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i)
Discover Card Master Trust	Securitization trust that holds Discover Card Master Trust activity	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i)
SLC Private Student Loan Trust 2006-A	Securitization trust that holds the assets in the SLC 2006 A Trust	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i)
SLC Private Student Loan Trust 2010-A	Securitization trust that holds the assets in the SLC 2010 A Trust	12 U.S.C. § 1843(c)(5) 12 C.F.R. § 225.22(e)(2)(i)

Public Welfare Funds and Investments

Listed below are Discover Bank’s public welfare funds and investments. Among its holdings, Discover Bank holds interests in certain limited liability entities each of which invests in one or more middle- or lower-tier entities that qualify for affordable housing or new markets tax credits (collectively, “PWI”). In respect of each such PWI, Discover Bank’s interest is that of a non-managing member, limited partner or equivalent, and as such, Discover Bank does not exercise operational control over the affordable housing or economic development entities in which the PWI invests. Accordingly, Discover Bank does not consolidate these PWIs for accounting purposes under U.S. Generally Accepted Accounting Principles (GAAP). Discover Bank does not consider these entities to be operating subsidiaries. As of January 31, 2024, only four of these tax credit Funds had non-zero carrying values on Discover Bank’s balance sheet.

Discover Bank also owns certain special purpose entities and other investment entities, including related to low income housing tax credit or new market tax credit investments.

These public welfare funds and investments are permissible for Capital One to individually hold during the Intermediate Period under 12 U.S.C. § 1843(c)(8) and 12 C.F.R. § 225.28(b)(12).

<u>Entity</u>	<u>Project</u>	<u>Description</u>
Centerline Corporate Partners XXXI LP Series A	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
Centerline Corporate Partners XXXI LP Series B	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
NHT 27 Tax Credit Fund LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
NHT 28 Tax Credit Fund LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
Delaware Equity Fund for Housing V LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
U.S.A. Institutional Tax Credit Fund XLV LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
Boston Capital Corporate Tax Credit Fund XXV	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
Boston Financial Institutional Tax Credits XXX, LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
Boston Financial Institutional Tax Credits XXVI, LP	LIHTC	Multi-Investor Fund, Waiting on disposition of properties
USB NMTC Fund 2011-3, LLC	NMTC	Direct Investment, Full Yield Guarantee

<u>Entity</u>	<u>Project</u>	<u>Description</u>
USB LIHTC Fund 2011-5, LLC	LIHTC	Direct Investment, Full Yield Guarantee
NTCP 2011	LIHTC	Direct Investment, Partial Guarantee
Discover Affordable Housing Investment Fund	LIHTC	Direct Investment, Partial Guarantee
Discover Economic Development Investment Fund	NMTC	Direct Investment, Partial Guarantee
Discover Financial Health Improvement Fund	Venture	Private Equity Venture Capital Fund
NDC Community Impact Loan Fund (CDFI)	EQ2	Funding for Delaware Innovation Space
Raza Development Fund (CDFI)	EQ2	Funding for Immigration Loan Program at Capital Good Fund CDFI
NDC Community Impact Loan Fund Participation	CD Loan	NMTC leverage loan and permanent loan for Fin Tech Building on U of D STAR Campus
NDC Grow America Debenture	CD Loan	Loan facility to finance SBA 7a guaranteed portion of small business loans
Cinnaire Loan Participation	CD Loan	NMTC leverage loan and permanent loan for East Side Charter School addition
Cinnaire Affordable Housing Preservation Fund	CD Loan	Loan facility for approved developers purchase of multifamily apartment buildings
CRA Mortgage Backed Securities	MBS	Fannie, Freddie and Ginnie Mae MBS
Delaware State Housing Authority 2024 Series A	Mortgage Rev Bonds	Tax Exempt Housing Revenue Bond, (remaining funds to be used for MBS or Rev Bonds)

EXHIBIT C

SUBSIDIARIES OF DISCOVER FINANCIAL SERVICES (EXCLUDING SUBSIDIARIES OF DISCOVER BANK)

Subsidiary	Description of Activities
DFS Services LLC (“DFS Services”)	<p><u>External:</u></p> <p>DFS Services owns and operates the Discover Network. DFS Services also owns Pulse Network LLC (“PULSE”) and Diners Club International Ltd. (“DCI”). “Discover Global Network” means, collectively, the Discover Network, PULSE and DCI.</p> <p>DFS Services offers the following services:</p> <ul style="list-style-type: none"> a) Facilitation of transactions including processing services, authorization, settlement, and dispute management b) Licensing of intellectual property, including trademarks c) Support for sales, marketing and operations/technology <p>Please see <u>Appendix A</u> for the list of specific activities and services provided by the Discover Network.</p> <p><u>Intercompany:</u></p> <p>DFS Services provides the following services to Discover Ventures Inc. (“<u>Discover Ventures</u>”):</p> <ul style="list-style-type: none"> ● Management services for Discover Ventures’ investment portfolio <p>DFS Services provides the following services to Discover Bank:</p> <ul style="list-style-type: none"> ● Issuance of Discover Cards and settlement of Discover Card purchase and cash advance transactions on the Discover Network <ul style="list-style-type: none"> ○ DFS Services provides processing and settlement services to Discover Bank in connection with Discover Bank’s Discover-branded credit, debit and prepaid payment products. ● Performs payment processing and related financial data processing to Discover Bank as an issuer of debit cards. ● Digital platform services that facilitate connectivity between payment card issuers and payments providers <ul style="list-style-type: none"> ○ Mobile Services

Subsidiary	Description of Activities
	<ul style="list-style-type: none"> ▪ D-PAS Specification – Contactless specification enables mobile to POS communication ▪ TSM Services – Mobile Wallet provisioning services (Secure element) ▪ HCE Services – Mobile Wallet provisioning services (cloud-based) ▪ Mobile Wallet Services – interact to access customer wallets ○ Token Services <ul style="list-style-type: none"> ▪ Vault services – storage of tokens and Token-PAN mapping ▪ Lifecycle Management – suspension or deletion of tokens ▪ Token to PAN conversion during transaction ○ Transaction Services <ul style="list-style-type: none"> ▪ Cryptogram Validation ▪ Customer Notifications – transaction detail and other account messages. ○ Client Services <ul style="list-style-type: none"> ▪ Billing and Reporting ▪ Client on-boarding to mobile wallets ○ Provide D-PAS Services <ul style="list-style-type: none"> ▪ Provide “on-behalf-of” support to enroll and board Client on participating Mobile Wallets ▪ Provide use of the D-PAS Specification (including algorithms and cryptograms) <p>DFS Services provides the following services to Discover Canada:</p> <ul style="list-style-type: none"> ● DFS Services provides services to support Discover Canada’s performance of its obligations under the Canadian Network Agreements: <ul style="list-style-type: none"> ○ Network Services supporting (i) the execution of payments network transactions by merchant acquirers and merchants located in Canada in connection with Discover Network Canadian activities and (ii) the execution of payments network transactions in connection with the AribaPay Canada business, including: <ul style="list-style-type: none"> ▪ Participate in on-boarding and continued operational support (e.g., connectivity, configurations, release certifications, system migrations, etc.) ▪ Deliver and maintain supporting network applications throughout the lifecycle: from participant connectivity through transaction processing, disputes and settlement ▪ Develop and maintain network governance structure through establishment, maintenance and compliance monitoring of operating regulations as well as all operational communications

Subsidiary	Description of Activities
	<ul style="list-style-type: none"> ▪ Develop, test and maintain a library of consumer and commercial credit, debit and prepaid card product features, benefits and services ▪ Brand marketing <p>DFS Services provides the following services to DCI:</p> <ul style="list-style-type: none"> • Two-way agreement that allows acceptance of Discover Cards in the Diners Club network and Diners Club Cards in the Discover Network, which grants DCI and its participant licensees access to the Discover Network. Diners Club cards operate on the Discover Network under all of the Discover Network rules and policies, including, but not limited to, rules governing acceptance, authorization and settlement. • Discover Network provides its test card request system whereby Diners Club can request certification and production validation cards shipments to Diners Club. <p>DFS Services provides the following services to PULSE:</p> <ul style="list-style-type: none"> • Discover Network passes acquired Discover Debit transactions to PULSE for authorization and settlement and the following other services: <ul style="list-style-type: none"> ○ DDX, Tokenization and Side-by-Side services ○ ProtectBuy services (3D Secure) ○ Card personalization chip profiles for Discover Debit cards • Discover Network provides its test card request system whereby PULSE can request certification and production validation cards shipments to PULSE.

Subsidiary	Description of Activities
PULSE Network LLC (“PULSE”)	<p data-bbox="533 383 632 407"><u>External:</u></p> <p data-bbox="533 440 911 464">PULSE offers the following services:</p> <ul style="list-style-type: none"> <li data-bbox="573 496 1703 521">a) Facilitation of transactions including processing services, authorization, settlement, and dispute management <li data-bbox="573 526 1167 550">b) Licensing of intellectual property, including trademarks <li data-bbox="573 555 1163 579">c) Support for sales, marketing and operations/technology <p data-bbox="533 612 1520 636">Please see Appendix B for the list of specific activities and services provided by PULSE Network.</p> <p data-bbox="533 669 684 693"><u>Intercompany:</u></p> <p data-bbox="533 725 1121 750">PULSE provides the following services to Discover Bank:</p> <ul style="list-style-type: none"> <li data-bbox="573 782 1371 807">● Processing of Discover Card debit and ATM transactions on Pulse Network <p data-bbox="533 846 1304 870">PULSE provides the following services to Discover, DCI and DFS Services:</p> <ul style="list-style-type: none"> <li data-bbox="573 907 1896 964">● Inter-company cross-licensing and use of trademarks, trade names and services marks between Discover, PULSE, DCI and DFS Services.

Subsidiary	Description of Activities
	<p>PULSE provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● PULSE Sales staff provides sales and account management support for Discover Debit third-party issuance agreements between DFS Services and the third-party issuers ● PULSE makes its proprietary portion of its website available to third-party Discover Debit issuers ● PULSE passes acquired network to network ATM transactions to Discover Network (e.g. JCB, RUPAY, and China Union Pay) ● PULSE passes acquired network to network POS transactions from within the U.S. to Discover Network (e.g. JCB, RUPAY, and China Union Pay) ● PULSE Cash Access Locator provides ATM terminal locations that accept Discover Network cards ● PULSE provides authorization and settlement support of international ATM transactions as a gateway to Discover Network <p>PULSE provides the following services to DCI:</p> <ul style="list-style-type: none"> ● PULSE Cash Access Locator provides ATM terminal locations that accept Diners Club International cards ● PULSE provides authorization and settlement support of international ATM transactions as a gateway to Diners Club International ● PULSE passes acquired network to network ATM transactions to Diners Club International (e.g. JCB)

Subsidiary	Description of Activities
Diners Club International Ltd. ("DCI")	<p><u>External:</u></p> <p>DCI offers the following services:</p> <ul style="list-style-type: none"> a) Facilitation of transactions including processing services, authorization, settlement, and dispute management b) Licensing of intellectual property, including trademarks c) Support for sales, marketing and operations/technology <p>Please see <u>Appendix C</u> for the list of specific activities and services provided by DCI.</p> <p><u>Intercompany:</u></p> <p>DCI provides the following services to Discover, PULSE and DFS Services:</p> <ul style="list-style-type: none"> ● Inter-company cross-licensing and use of trademarks, trade names and services marks between Discover, PULSE, DCI and DFS Services. <p>DCI provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Allows acceptance of DCI Network Cards on the Discover Network. ● Grants to Discover Network access to the Diners Club Network (except for the Diners Club North America business) as a network participant, which is the worldwide system identified by the use of certain trademarks owned by DCI for use in the Diners Club card business. Discover Network cards operate on the Diners Club Network under all of the Diners Club rules and policies, including, but not limited to, rules governing acceptance, authorization and settlement. ● DCI passes acquired Discover Card and net to net transactions to the Discover Network for authorization and settlement.

Subsidiary	Description of Activities
	<p>DCI provides the following services to PULSE:</p> <ul style="list-style-type: none"> ● DCI facilitates PULSE’s ability to settle in multiple currencies.
<p>Discover Financial Services (Canada), Inc. (“<u>Discover Canada</u>”)</p>	<p><u>External:</u></p> <p>Discover Canada offers the following services:</p> <ul style="list-style-type: none"> a) Facilitation of transactions including processing services, authorization, settlement, and dispute management b) Licensing of intellectual property, including trademarks c) Support for sales, marketing and operations/technology <p>Please see <u>Appendix D</u> for the list of specific activities and services provided by Discover Canada.</p> <p><u>Intercompany:</u></p> <p>Discover Canada performs the following services for, or on behalf of, Discover in connection with Discover Network Canadian Activities and the AribaPay Canada business:</p> <ul style="list-style-type: none"> ● Sales and relationship support for merchant and merchant acquirer relationships ● Network support

Subsidiary	Description of Activities
Diners Club Services Private Ltd. (“Diners Club Services”)	<p>Diners Club Services provides the following services to DCI:</p> <ul style="list-style-type: none"> ● Consulting and advisory services to DCI within the Asia Pacific territory ● Market research and industry information ● Business support services, including but not limited to (a) support regional and global operations of DCI; (b) manage key business partners, technology providers, credit card issuers and merchant acquirers of DCI and liaising with the global office; (c) act as a key liaison with the Reserve Bank of India (“RBI”) and other regulatory authorities in India in relation to the authorization granted to DCI; and (d) provide any other support to DCI regarding DCI’s regulatory compliance in the Asia Pacific territory <p>Diners Club Services provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Building Discover Global Network capabilities ● Support for Discover Global Network partnerships ● Assistance with partner audits

Subsidiary	Description of Activities
Diners Club Taiwan Ltd. (“ <u>Diners Club Taiwan</u> ”)	<p>Diners Club Taiwan provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Provide support to partners on the Discover Network ● Provide support to acceptance, acquiring and digital partners to grow acceptance ● Provide certification support for terminal vendors and labs <p>Diners Club Taiwan provides the following services to DCI:</p> <ul style="list-style-type: none"> ● Provide support to partners on the Diners Club Network ● Provide support to acceptance, acquiring and digital partners to grow acceptance ● Provide certification support for terminal vendors and labs <p>Diners Club Taiwan provides the following services to PULSE:</p> <ul style="list-style-type: none"> ● Provide support to partners on the Pulse Network ● Provide support to acceptance, acquiring and digital partners to grow acceptance ● Provide certification support for terminal vendors and labs

Subsidiary	Description of Activities
Discover Global Employment Company Private Limited (“ <u>Discover Global Employment</u> ”)	<p>Discover Global Employment provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Assisting network partners with payments, franchise businesses and network arrangements ● Services related to increasing network transaction volume, issuance and acceptance ● Assisting the global ATM and interoperability teams ● Assisting in the launch of new products and programs <p>Discover Global Employment provides the following services to DCI:</p> <ul style="list-style-type: none"> ● Assisting Diners Club franchisees and network partners with payments, franchise businesses and network arrangements ● Services related to increasing network transaction volume, issuance and acceptance ● Assisting the global ATM and interoperability teams ● Assisting in the launch of new products and programs ● Providing loan staff support by providing employees who may be formally and wholly seconded to DCI and, in either case, shall perform his/her duties solely for the benefit of and under the direction and control of DCI <p>Discover Global Employment provides the following services to Discover Financial Services (UK) Limited:</p> <ul style="list-style-type: none"> ● Assisting Diners Club franchisees and network partners with payments, franchise businesses and network arrangements ● Services related to increasing network transaction volume, issuance and acceptance ● Assisting the global ATM and interoperability teams ● Assisting in the launch of new products and programs

Subsidiary	Description of Activities
Discover Ventures, Inc.	<p>All activities are performed for the purpose of investment or advancing long-term innovation at Discover. These activities are funded by Discover’s own capital. Exposure to investments is <i>de minimis</i> relative to Discover’s capital requirements and all investments comply with Section 4(c)(6) of the BHC Act. Investments take the form of participating in a venture fund or a direct minority investment in start-ups in a capital raise that is led by venture capital firms. Discover does not actively participate in the management of the venture capital firms or participate on their Investment Committee.</p> <p>Activities:</p> <ul style="list-style-type: none"> • Invest in innovative venture capital (“VC”) funds and startups to explore potential opportunities to enhance Discover’s payments ecosystem, products, capabilities or compliance and risk management. • Focus on non-controlling, venture investments with strategic business nexus and potential for a business operating agreement (Discover neither participates in the management/governance of invested start-ups nor takes a board seat in them). • Monitor investments in accordance with Discover’s Risk Framework and support Investment Reporting.
Discover Home Loans, Inc. (“ <u>DHL, Inc.</u> ”)	<p>DHL, Inc. sold all loans in 2015. Therefore, the activities of DHL, Inc. support repurchase requests with respect to previously sold loans:</p> <ul style="list-style-type: none"> • Quality Assurance Audit: Occasionally, DHL, Inc. receives requests for a QA audit for Non-Performing Loans. DHL, Inc. will provide the requested loan package, documents, etc. accordingly. • Repurchase request: Upon receipt, DHL, Inc. will provide a rebuttal to the investor. If a rebuttal is not accepted, DHL, Inc. may be required to repurchase the loan within 30 to 60 days. For the last few years, DHL, Inc. has not repurchased or indemnified any loans. • Report via email to Discover’s Finance department of any repurchase activities even when there is no activity monthly (at the end of each month).

Subsidiary	Description of Activities
Discover Services Corporation	<p>Holds the operations of the Discover employee business card used for employee travel and other business expenses.</p> <p>This entity does not face external parties and engages solely in servicing activities for its affiliates.</p>
DFS Corporate Services LLC (“ <u>DFS Corporate Services</u> ”)	<p>DFS Corporate Services provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Business Technology services to provide and maintain technology systems to support Discover Bank’s operations and lines of business utilizing through defining and aligning internal platform architecture, systems engineering and application development, technology operational management, information security management and audit, compliance and regulatory support. ● Human Resource services including managing compensation plans, talent acquisition and development, managing diversity initiatives and general workforce training and management. ● Corporate Risk Management services including enterprise risk management, counterparty credit risk management, business continuity planning, information security, records management, consumer credit risk management and financial model validation. ● Internal Audit functions and facilities management services. <p>DFS Corporate Services provides the following services to Discover Bank:</p> <ul style="list-style-type: none"> ● Business Technology services using hardware, software and third-party services to assist Discover Bank with developing, maintaining and using computer systems, software and networks for the processing and distribution of technology solutions and services to business processes. ● Human Resource services including managing compensation plans, talent acquisition and development, managing diversity initiatives and general workforce training and management ● Corporate Risk Management services to help ensure consistent identification, measurement, monitoring and reporting of key risks to senior management and Board of Directors. Includes establishment of a risk survey process, develop risk appetite, assess economic capital for key risks and allocate capital to business units for performance measurement. ● Internal Audit services in accordance with the Internal Audit Department charter and such other standards set by the Bank Audit Committee from time to time and general facilities management services.

Subsidiary	Description of Activities
	<p>DFS Corporate Services provides the following services to Discover Ventures:</p> <ul style="list-style-type: none"> ● Executive management services <p>DFS Corporate Services provides the following services to DHL, Inc.:</p> <ul style="list-style-type: none"> ● Business Technology services provided in connection with the wind down of DHL, Inc.'s business including expenses related to the provision of telecommunications and servers
DFS International Inc.	<p>DFS International Inc. provides payment of compensation and benefits to expatriate employees that are working outside the country of their legal citizenship or residence. This entity currently has two employees – a US-originating expat and Discover's one Puerto Rico-based employee.</p> <p>In addition to the above services, DFS International Inc. also provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Sales and relationship support for merchant and acquirer relationships ● Network support.

Subsidiary	Description of Activities
Discover Financial Services (UK) Limited (“ <u>Discover Financial Services (UK)</u> ”)	<p>Discover Financial Services (UK) provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Application development including design development, testing and implementation work ● Maintain and develop the D-PAS contact, contactless and mobile specifications ● Represent Discover in various technical working groups in appropriate industry forums, such as EMVCo, as the chip payment technology subject matter expert ● Manage relationships with various chip payment industry vendors to develop and test the new D-PAS product <p>Discover Financial Services (UK) provides the following services to DCI, with respect to the Diners Club Network business worldwide:</p> <ul style="list-style-type: none"> ● Brand marketing ● Application development including design development, testing and implementation work ● Financial reconciliation and cash access services ● Financial control and planning including budgeting and forecasting ● Franchise relationship services including training, certification, consultation and compliance ● Relationship management services for internal and external suppliers, merchants and franchises ● IT support services ● Security administration ● Vendor compliance services ● General administrative functions including invoice processing, expense management human resource processing franchise billing, interchange process control <p>Discover Financial Services (UK) provides the following services to Discover Bank:</p> <ul style="list-style-type: none"> ● Application development services including design, development, quality assurance testing, and implementation

Subsidiary	Description of Activities
Discover Financial Services (Hong Kong) Limited	<p>Discover Financial Services (Hong Kong) Limited provides the following services to DCI:</p> <ul style="list-style-type: none"> ● Working with DCI franchises and their senior management to assess the franchise business ● Grow transaction volume and increase issuance and acceptance ● Negotiate participation agreements for existing and new DCI franchises ● Ensure franchisee compliance with legal and governance issues ● Assist corporate products team ● Assist the global ATM and interoperability teams ● Assist in launch of new products and programs <p>Discover Financial Services (Hong Kong) Limited provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Assist corporate products team ● Assist the global ATM and interoperability teams ● Assist in launch of new products and programs <p><u>This entity does not face external parties and engages solely in servicing activities for its affiliates.</u></p>
Discover Information Technology (Shanghai) Limited	<p>Discover Information Technology (Shanghai) Limited provides the following services to Discover Bank:</p> <ul style="list-style-type: none"> ● Data Analytics and Information Management ● Marketing Analytics Functions ● Various MIS Reporting Services ● Development of Statistically Predictive Models ● Various Risk Management Functions including Risk Testing and Model Risk Management ● Analytics Support for Customer Service, Assistance and Authorization ● Decision Implementation Support ● Analytics Support for Payment Services ● Internal Auditing Functions ● Analytics Support for Corporate Finance Functions

SUBSIDIARIES OF DISCOVER BANK

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
<p>Discover Products, Inc. (“<u>Discover Products</u>”)</p>	<p>Discover Products provides the following services to DFS Services:</p> <ul style="list-style-type: none"> ● Corporate Finance, Accounting, Tax and Treasury services including general controller/accounting activities, funding, capital and cash management services, investor relations services, strategic financing support, capital planning and financial risk support and regulatory support. ● General legal services, including analysis and, in support of DFS Services’ operations and lines of business. ● Compliance services including BSA/AML and Sanctions services, establishing and maintaining a firm-wide program to identify, assess, control, measure, monitor, and report legal and regulatory compliance risks across the organization. Compliance also provides independent oversight of adherence to legal and regulatory requirements, assesses and opines on the adequacy and effectiveness of business processes and controls, reports on the status of compliance with laws and regulations. ● Marketing support services including market research and consumer insights, competitive analysis, and marketing campaign creation and management. ● Executive Management services. ● Check production and mailing services for commercial payments, an optional service made available to AribaPay payers by Receiving Party after marketing and sale by Ariba, an SAP company, pursuant to its Network Alliance Agreement with Receiving Party. ● Services in support of money transmitter license applications. ● Oversight of Discover Bank’s issuance of test cards in connection with Discover Global Network’s program to test network functionality. ● Provision of certain office space in Lake Park, Utah and Phoenix, Arizona locations. <p>Discover Products provides the following services to Discover Bank:</p>

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
	<ul style="list-style-type: none"> ● Consumer Banking and Marketing-related services in support of Receiving Party’s Card, Deposits, Student Loans, Personal Loans and Home Equity Loans lines of business, including (i) Brand & Acquisition, (ii) e-Business, (iii) Analysis and Pricing, (iv) Marketing Operations and (v) Business Risk ● Credit Operations and Decision Management services in support of Receiving Party’s Card, Student Loans, Personal Loans and Home Equity Loans lines of business <ul style="list-style-type: none"> ○ Includes analytics and underwriting for the Card, Student Loans, Personal Loans and Home Equity Loans lines of business ● Customer Services and Operations for Receiving Party’s Card, Deposits, Student Loans, Personal Loans and Home Equity Loans lines of business <ul style="list-style-type: none"> ○ Includes Call Center Support and Acquisition Services ● Finance and Corporate services including general controller/accounting activities, funding, capital and cash management services, investor relations services, strategic financing and corporate funding support, capital planning and financial risk support, corporate tax support and risk management support ● General legal services relating to bank regulatory and credit risk, employment, government relations, and security and privacy. ● Corporate Compliance services including BSA/AML and Sanctions services, general compliance advice, independently reviews and challenges the business on mitigating regulatory compliance risks and provides guidance on operationalizing regulatory requirements including applicability to third parties. ● Human resource-related expenses including talent acquisition and background investigations. ● Payroll and similar functions for certain Bank Executive Management. <p>Discover Products provides the following services to Discover Financial Services (Canada), Inc.</p> <ul style="list-style-type: none"> ● Services related to U.S. regulatory compliance obligations, including (i) Anti-Money Laundering (“AML”) and Bank Secrecy Act compliance services and (ii) OFAC Sanctions-related screening services ● Services related to Canadian regulatory compliance obligations, including (i) AML compliance services, (ii) sanctions screening services, (iii) KYC services, (iv) risk assessments, (v) transaction monitoring, (vi) AML/BSA training and audit

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
	<p>support, (vii) terrorist compliance services, (viii) regulatory reporting services, (ix) PIPEDA management and compliance, (x) CASL management and compliance and (xi) Canadian ADAD management and compliance</p> <ul style="list-style-type: none"> ● Operational support <ul style="list-style-type: none"> ○ Supplier enablement and onboarding services ○ Ongoing supplier servicing and support ○ Supplier settlement and reporting services ● Finance Services including Tax-related services, including (i) returns, filings and registrations, (ii) consulting and transfer pricing/valuation services and (iii) FATCA compliance services ● Legal services <p>Discover Products provides the following services to Discover Home Loans, Inc.:</p> <ul style="list-style-type: none"> ● Services related to the wind down of the Discover Home Loans business <p>Discover Products provides the following services to Discover Ventures:</p> <ul style="list-style-type: none"> ● Finance, Accounting and Tax services ● Legal services ● Executive Management services
<p>Discover Properties LLC (“<u>Discover Properties</u>”)</p>	<p>Discover Properties’ activities and services consist of owning or leasing real estate and office space used by Discover and its affiliates. There are three locations under Discover Properties:</p> <ol style="list-style-type: none"> 1. Riverwoods, IL which Discover owns; 2. The Buckeye Data Center in New Albany Ohio, which Discover owns; and 3. the “606” office space, which is leased space at 350 N Orleans, Chicago IL.

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
	<p><u>Intercompany:</u></p> <p>Discover Properties leases or subleases the following properties to affiliates:</p> <ul style="list-style-type: none"> ● Sublease of the 606 facility (350 N Orleans, Chicago, IL) ● Sublease of the 606 facility (350 N Orleans, Chicago, IL) ● Lease of the New Albany facility (6500 New Albany Rd, New Albany Ohio) ● Lease of the New Albany facility (6500 New Albany Rd, New Albany Ohio) ● Lease of the Riverwoods facility (2500 Lake Cook Rd, Riverwoods, IL) ● Lease of the Riverwoods facility (2500 Lake Cook Rd, Riverwoods, IL)
<p>The Student Loan Corporation (“<u>SLC</u>”)</p>	<p>Discover acquired SLC in 2010.</p> <p>Discover stopped offering new student loans as of February 1, 2024, and launched the sale process for the private student loan portfolio in March 2024. Discover targets a closing date late in the third or fourth quarter of 2024.</p> <p>SLC’s activities currently consist of servicing outstanding loans. Servicing is currently being performed by DPI, an affiliate of SLC and wholly owned subsidiary of Discover Bank. The servicing of such loans is expected to be transferred to a third-party servicer beginning in September with completion before the end of 2024.</p>
<p>Discover Funding LLC (“<u>Discover Funding</u>”)</p>	<p>Discover Funding acts as depositor for Discover Card Master Trust I (the “<u>Master Trust</u>”) and as depositor and beneficiary for Discover Card Execution Note Trust (“<u>DCENT</u>”). Discover Funding was organized for the limited purpose of purchasing, holding, owning and transferring credit card receivables and related activities from Discover Bank to various securitization trusts. Discover Funding has been engaged in securitizing credit card receivables since its formation on May 18, 2015 and has not been engaged in any activities other than securitization activities.</p>

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
	<p>Discover Funding transfers certain of the receivables transferred to it by Discover Bank to the Master Trust on an on-going basis pursuant to the terms of the Pooling and Servicing Agreement between Discover Funding and Discover Bank. In addition, Discover Funding is the sole beneficiary of the note issuance trust and has the right to receive all cash flows from the assets of the note issuance trust other than the amounts required to make payments for any series of notes.</p> <p>Discover Funding and its affiliates may own certificates representing interests in the Master Trust and notes issued by DCENT in their own names.</p>
Discover Card Execution Note Trust (“DCENT”)	<p>Discover accesses the asset-backed securitization market using the Discover Card Master Trust I (“<u>DCMT</u>”) and DCENT. In connection with Discover’s securitization transactions, credit card receivables are transferred to DCMT. DCMT has issued a certificate representing the beneficial interest in its credit card receivables to DCENT.</p> <p>DCENT is the issuing entity for issuing the asset-backed notes, in public and private transactions, which are collateralized by the beneficial interest certificate held by DCENT.</p> <p>DCENT’s activities are limited to:</p> <ul style="list-style-type: none"> ● accepting the transfer of, holding, receiving and investing proceeds of, and granting security interest in, the assets comprising the trust estate, which includes the collateral certificate and may include any additional collateral certificates added at a later time, receivables added at a later time, if applicable, various collateral accounts, collections accounts, funding accounts, payment accounts, reserve accounts and other trust accounts, and the proceeds from these assets; ● issuing notes pursuant to the indenture, the terms of which shall be determined by the depositor, together with preparing or entering into any registration statement, offering documents, underwriting agreements and similar agreements necessary to permit the offering and sale of such notes on terms and conditions approved by the depositor or the qualification of the indenture under applicable law;

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
	<ul style="list-style-type: none"> ● entering into and performing supplemental credit enhancement agreements and supplemental liquidity agreements related to any series, class or tranche of notes; ● making deposits to or withdrawals from collateral accounts, collections accounts, funding accounts, reserve accounts, payment accounts and other trust accounts established pursuant to the indenture; ● making payments on the notes and other payments in accordance with the indenture and indenture supplement; and ● engaging in other activities that are necessary or incidental to accomplish these limited purposes.
<p>Discover Card Master Trust I (“<u>Master Trust</u>”)</p>	<p>Discover Bank formed the Master Trust in October 1993 to issue certificates of various series pursuant to (a) the Pooling and Servicing Agreement between Discover Bank, as master servicer and servicer, Discover Funding (as assignee of Discover Bank), as depositor, and U.S. Bank Trust Company, National Association, as trustee, and (b) a series supplement to the Pooling and Servicing Agreement for each series.</p> <p>The Master Trust engages in the following activities:</p> <ul style="list-style-type: none"> ● receiving and holding the receivables and the proceeds from the receivables and related interchange; ● issuing master trust certificates, including the collateral certificate and the “Transferor Certificate” (the residual interest in the assets of the master trust not represented by the certificates of any series); ● making payments on master trust certificates, including the collateral certificate and the Transferor Certificate; ● investing funds on deposit in the collections account, the reallocation accounts established to reallocate excess finance charge collections, principal collections, interchange and similar amounts, if any, among series of master trust certificates, if applicable, and the investor accounts established for investors of other series.

Name	<p>Complete list of each activity, including any <i>de minimis</i> activities or activities which do not necessarily generate revenue.</p> <p>Include a detailed description of nature of the activity, and of each product or service offered by the entity; and whether performed/offered/provided for affiliates and/or third parties.</p>
SLC Private Student Loan Trust 2006-A	<p>The notes related to SLC 2006-A were paid in full in 2018 and the related Indenture was terminated. The trust remains in place because it is the named party in certain insurance agreements and its sole function is to submit eligible insurance claims and activities related or incidental to that process. Those activities and the trust are expected to be terminated by the end of 2024.</p>
SLC Private Student Loan Trust 2010-A (“ <u>SLC 2010 A Trust</u> ”)	<p>SLC 2010 A Trust’s activities include:</p> <ul style="list-style-type: none"> ● payments on the notes it has issued to investors; ● acquiring, holding and managing the student loans and the other assets of the issuing entity and related proceeds that collateralize the notes it has issued to investors; ● engaging in other activities that are necessary, suitable or convenient to accomplish, or are incidental to, the foregoing.
GTC Insurance Agency, Inc.	<p>Previously governed licensing and agency requirements for the sale of insurance-related products, as well as collected fees related to insurance products. Discover used to offer insurance products, but no longer does. Two previous products were Credit Safe Plus (which closed in 2022) & Credit Safe (which closed in 2014). Those products were fully owned, serviced and managed by American Bankers Insurance (Assurant) and customers are no longer paying for these products. For Credit Safe Plus, while the product was discontinued in 2022, customers can continue to submit claims for years per insurance regulations as interpreted and managed by Assurant. Discover has a minor obligation through May 2025 to provide proof that the customer paid for the product during the claim period. GTC was originally set up to support insurance protection products like Credit Safe Plus, which, as noted, was discontinued in May 2022.</p>

EXHIBIT C
Appendix A

Discover Network
Participant Facing Activities

Transaction Processing:

- Provide Authorization (Dual Message System) processing system and services
 - POS
 - ATM
 - eCommerce
 - Digital
- Provide Settlement processing system and services
 - Settlement reporting files
- Net Settlement processing via Wire or ACH
 - Funds collection or disbursement
 - Fees/Interchange
 - Disputes
- Produce and disseminate Participant facing reporting
 - Processor reports
 - Merchant/Acquirer/Issuer reports
 - Vendor reports
- Provide Dispute Processing services
 - Dispute platform development and Operational Support
 - Life-cycle dispute management and Arbitration
- Supports Participant Registration system and processes
- Technical Connectivity onboarding and operational support
- Ongoing Transaction Monitoring and Fraud detection services
- Provides variety of Products and Capabilities to enhance transaction processing
- Commercial payments system and services (Retiring Q42024)
- Provide licenses to build or distribute products / provide services

Participant Management and Operations:

- Participant Relationship Management
 - Relationship management
 - Negotiation of new business opportunities
 - Renegotiation of existing Participant relationships
 - Sale of new products / service to Participants
 - Ongoing business management / problem solving
- Participant Services and Operational Support
 - Participant servicing/inquiry management
 - Participant onboarding, testing and certification
 - Project management functions

- Daily operational support for inquiries and project management
- Product delivery implementation and support
- Command Center production support
- IIN management
- Data analytics
- Compliance monitoring and remediation
-

Internal Operations:

- Legal¹
 - Drafting and ongoing management of Discover Network contracts
 - Network Program Document legal oversight
 - Payments & international regulatory oversight
- Network Program Document Management/Communications
 - Preparation, maintenance and distribution of Program Documents:
 - Operating Regulations
 - Technical Specifications
 - Pricing Manuals
 - Prepare participant communications
 - Release Communications
 - Ad Hoc Communications
- Risk Management
 - Participant Due Diligence and Reviews
 - AML and Sanctions Monitoring
 - Regulatory compliance delivery

Marketing, Sales enablement

- Marketing communication
- Development / Management of Sales collateral
- Customer and sales support
- Coordination of responses to existing and prospective participants RFPs
- Management of merchant referrals (non-accepting merchants or technical breaks) via an api, or batch file.
- Direct marketing and field team to work with network participants
- US Market acceptance readiness activities
- Merchant segment marketing
- Industry Insights

¹ These Legal services are internal, not provided to unaffiliated third parties, and incidental to other services (e.g. preparing and updating network agreements and other contracts and disclosures, etc.).

EXHIBIT C
Appendix B

PULSE NETWORK LLC

The following activities are provided to PULSE Network customers.

Activities marked with an asterisk (*) are also provided to Discover Bank or Discover Card as customers of the PULSE Network in addition to being provided to other PULSE Network customers.

- Authorization and Clearing transaction processing*:
 - PULSE Network*
 - POS
 - ATM
 - GATM
 - Discover Debit*
 - Gateway Networks*
- Operational Reporting
 - Processor Reports
 - Enhanced Data File*
- Fraud Detection*
 - Fraud scoring*
 - Rule and score-based alerting*
 - Rule and score-based blocking*
 - Rule and score-based cardholder contact
- Dispute Processing*
 - Dispute Rules*
 - Dispute platform development and Operational Support*
 - Life-cycle dispute management and Arbitration*
- Single-point Net Settlement processing via Wire or ACH
 - Funds
 - Fees
 - Disputes
- Billing Services*
- Operational Client Support*
 - Issue research and resolution*
 - Production Support*
 - Fulfillment of new client requests for BIN / program boarding; Issuers and Merchants
 - Service requests*
- Implementation Project Management*
 - Project Requests*
 - Project Management*

- Testing and Certification support
 - Liaison with Gateway Networks*
- Financial Institution and Merchant Sales Relationship Management*
 - Negotiation of new business opportunities
 - Renegotiation of existing client relationships*
 - Sale of new products / service to existing clients*
 - Ongoing business issue management / resolution*
- Network Documentation
 - Preparation and ongoing management of PULSE Network program documents:
 - Operating Regulations*
 - PULSE ISO technical specifications
 - Dispute Rules*
 - Release Communications
 - Client Communications*
- Legal¹*
 - Drafting and ongoing management of PULSE Network contracts*
- Marketing*
Marketing communication*

¹ These Legal services are internal, not provided to unaffiliated third parties, and incidental to other services (e.g. preparing and updating network agreements and other contracts and disclosures, etc.)

EXHIBIT C
Appendix C

Diners Club International Business Activities and Services

- **Core Card Transaction Processing Services**
 - Authorization, Switching and Clearing transaction processing services on:
 - POS
 - ATM
 - Digital channels (E-commerce, mobile, wallet, etc.)
 - Settlement processing including currency conversion (if required) via International Wire or ACH
 - Transaction funds
 - Fees
 - Disputes
 - Dispute Processing
 - Dispute platform development and operational support
 - Life-cycle dispute management and Arbitration

- **Network Operating Rules and Program Documents**
 - Preparation and ongoing management of International Operations Manual and program documents, including:
 - Xpress Transaction Manual
 - Electronic Interchange Technical Specifications
 - Chargeback Guide
 - Brand Standards Manual
 - Bi-annual Network Release communications and client support

- **Business Development and Client Relationship Management**
 - Negotiation of new business opportunities
 - Renegotiation of existing client relationships
 - Management of termination and wind-down activities with existing clients
 - Sale of new products / services to existing clients
 - Approval and support of new card product / program launch
 - Ongoing client management

- **Implementation and Operational Client Support**
 - Onboarding of new clients, including connectivity, testing and certification support
 - Implementation of new programs with existing clients
 - Testing and certification support on Network Releases
 - Customer service

- **Network Products and Services**
 - Licensing of core network products, such as DPAS, ProtectBuy for secure card transactions
 - Development and support of customer card product suites, including Credit, Debit, Prepaid, etc.
 - Development and support of commercial card product suites, including Travel Account, Virtual Card solution, Business-to-business payment solutions, etc.
 - MIS data solutions, tools for commercial card products and other card-related services

- **Branding and Marketing Support**
 - Licensing Diners Club International trademark and providing branding guidelines and support
 - Development and management of Diners Club International Website and mobile application
 - Development and distribution of Discover/Diners Club signage
 - Marketing communication via multiple channels
 - Hosting Marketing Advisory Council meetings with key clients
 - Hosting global and/or regional conferences for DCI participants

- **Network Compliance and Risk Management**
 - Conducting due diligence and periodic partner reviews / audits to ensure compliance to regulatory and network requirements
 - Performing fraud monitoring and detection

EXHIBIT C
Appendix D

Discover Canada
Participant Facing Activities

Transaction Processing:

- Provide payment authorization (Dual Message System) processing system and services
 - POS
 - eCommerce
 - Digital
- Provide Settlement processing system and services
 - Settlement reporting files
- Net Settlement processing via Wire or ACH
 - Funds collection or disbursement
 - Fees/Interchange
 - Dispute resolution
 - Adjustments
- Produce and disseminate Participant-facing reporting
 - Processor reports
 - Merchant/Acquirer/Issuer reports
 - Vendor reports
- Provide Dispute Processing services
 - Dispute platform development and operational support
 - Dispute management and Arbitration
- Support Participant Registration system and processes
- Technical Connectivity onboarding and operational support
- Ongoing Transaction Monitoring and Fraud detection services
- Commercial payments system and services (Retiring Q42024)
- Provide licenses to build or distribute payment products and services

Participant Management and Operations:

- Participant Relationship Management
 - Relationship management
 - Negotiation of new business opportunities
 - Renegotiation of existing Participant relationships
 - Sale of new products / services to Participants
 - Ongoing business management / problem solving
- Participant Services and Operational Support
 - Participant servicing/inquiry management

- Participant onboarding, testing and certification
- Project management functions
- Daily operational support for inquiries and project management
- Product delivery implementation and support
- Command Center production support
- IIN management
- Data analytics
- Compliance monitoring and remediation

Internal Operations:

- Legal³
 - Drafting and ongoing management of Discover Network contracts
 - Network Program Document legal oversight
 - Provide information on legal and regulatory requirements
- Network Program Document Management/Communications
 - Preparation, maintenance and distribution of Program Documents:
 - Operating Regulations
 - Technical Specifications
 - Pricing Manuals
 - Participant communications
 - Release Communications
 - Ad Hoc Communications
- Risk Management
 - Participant Due Diligence and Reviews
 - AML and Sanctions Monitoring
 - Regulatory compliance delivery

Marketing, Sales enablement

- Marketing communication
- Customer service and sales support
- Coordination of responses to existing and prospective participants RFPs
- Direct marketing and field team to work with network participants

³ These Legal services are internal, not provided to unaffiliated third parties, and incidental to other services (e.g. preparing and updating network agreements and other contracts and disclosures, etc.).