

Discover Financial Services
 Form 424B2
 May 31, 2016

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

Subject to completion

Preliminary Pricing Supplement dated May 31, 2016

Filed under Rule 424(b)(2), Registration Statement No. 333-205280

Preliminary Pricing Supplement No. 16 - Dated Tuesday, May 31, 2016 (to: Prospectus dated June 26, 2015 and Prospectus Supplement Dated: September 8, 2015)

| CUSIP Number | Principal Amount | Selling Price | Gross Concession | Net Proceeds | Coupon Type | Coupon Rate | Coupon Frequency | Day Count Basis | Maturity Date | 1st Coupon Date |
|--------------|------------------|---------------|------------------|--------------|-------------|-------------|------------------|-----------------|---------------|-----------------|
| 25472CAT6 | \$ | 100.00 % | 1.800 % | \$ | Fixed | 3.600 % | Semi-Annual | 30/360 | 06/15/2026 | 12/15/2026 |

Redemption Information: Callable in whole or in part, at any time on or after 3/15/2026.

Optional Redemption: Discover Financial Services may, at its option, at any time on or after 03/15/2026, redeem these Discover Financial Services InterNotes, in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest. If fewer than 10 nor more than 30 days prior notice delivered to the holders of these Discover Financial Services InterNotes are to be redeemed, the Trustee will select the Notes for redemption on a pro rata basis, by lot or by such other method as may be determined by the Trustee. Discover Financial Services InterNotes will be redeemed in denominations of \$1,000 and integral multiples of \$1,000 in excess of \$1,000. If the notes are to be redeemed in part only, the notice of redemption will state the portion to be redeemed. Unless Discover Financial Services InterNotes are to be redeemed in part only, interest will cease to accrue on these Discover Financial Services InterNotes or the portions of these InterNotes to be redeemed on the redemption date.

Trade Date: Monday, June 6, 2016 @ 12:00 PM ET
 Settlement Date: Thursday, June 9, 2016
 Minimum Denomination/Increments: \$1,000.00/\$1,000.00
 Initial trades settle flat and clear

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SDFS: DTC Book Entry only

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Lead Manager: Incapital LLC

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

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