

American Express Group Services Limited

Registered number 06613927

**REPORT AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2024**

American Express Group Services Limited

Report and Financial Statements for the year ended 31 December 2024

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American Express Group Services Limited

Officers & Advisors

DIRECTORS

J Huson - Chair
N Blackwell
L Mansfield
D Sevinti

SECRETARY

G Gill

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

BANKERS

Lloyds Bank plc
25 Gresham Street
London
EC2V 7HN

REGISTERED OFFICE

Belgrave House
76 Buckingham Palace Road
London
SW1W 9AX

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024

The Directors present their report and the audited financial statements of American Express Group Services Limited ("the Company" or "AEGSL") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is registered in England and Wales, domiciled in the United Kingdom and is part of the American Express Group of companies ("American Express", "the Group" or "the Enterprise"). The Company's immediate parent is American Express International Inc. and the Company's ultimate parent and controlling entity is American Express Company, both incorporated in the United States of America.

The principal activity of the Company is the provision of services to other companies within the American Express Group, predominantly in relation to the Global Network Services (GNS) and Network and Acquirer Solutions (NAS) businesses. The Company also provided services to the Accertify business until its sale to a third party on 1 May 2024.

2024 Business Transfer

On 30 April 2024, in order to rationalise the Group structure ahead of the sale of the Accertify business to a third party, the Company transferred its related servicing business and transferable net assets to another group company. The Company received consideration of £3.95m in relation to this. The transfer has been accounted for under the Company's business combinations, acquisitions and disposals accounting policy.

GOVERNANCE

The Directors are responsible for managing the Company's affairs and for ensuring that the operations of the Company are carried out effectively and with due regard to the reputation of the Group and the requirements imposed upon it by law, regulation and relevant regulatory bodies.

RESULTS AND DIVIDENDS

The results for the year are set out on page 16 and show the profit before taxation for the year ended 31 December 2024 of £39.5m (2023: £33.3m). The profit after taxation for the financial year was £29.7m (2023: £25.9m) and has been transferred to reserves. The Directors do not propose the payment of a dividend in 2024 (2023: £nil). Total shareholders' funds at 31 December 2024 stood at £331.4m (2023: £297.0m). The Financial Performance section of the Strategic Report gives a more detailed review of the Company's performance indicators.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to limited financial risks. An overview of these risks and how they are managed by the Company is included in the Financial Risk Management section of the Strategic Report.

FUTURE DEVELOPMENTS

In line with Group strategy, the Company is focused on maintaining growth in an uncertain economic and political environment, whilst managing costs and upholding service quality. The Strategic Report includes an Outlook, Principal Risks and Uncertainties section which considers how future developments may impact the Company.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

DIRECTORS

The Directors of the Company who served during the year and up to the date of signing the financial statements were:

J Huson - Chair (appointed 19 November 2024)

N Blackwell (appointed 27 February 2024)

L Mansfield

D Sevinti (appointed 19 November 2024)

S Batchelor (resigned 20 November 2024)

C Malec (resigned 27 February 2024)

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in S.234 of the Companies Act 2006, and as outlined in the Company's Articles of Association. Such a qualifying third-party indemnity provision was in force during the financial year and remains in force as at the date of approving the Directors' Report.

EMPLOYEE ENGAGEMENT STATEMENT

The American Express workforce within the UK, including, but not limited to, the Company's colleagues, is split among multiple UK based legal entities. Consequently, many of the Company's interactions with its colleagues, being cross functional in nature, are managed at a centralised level.

At the heart of our culture is what we call our Blue Box Values - a set of guiding principles that serve as the foundation for how we operate and lead. We believe that maintaining our strong workplace culture, adhering to our Blue Box values and ensuring that our people feel included, valued, recognised and backed, helps us attract, develop and engage the right talent for American Express' success. We do this by offering a compelling colleague value proposition, which includes a culture built on strong relationships, shared values and purpose, competitive pay and benefits that support our colleagues and their loved ones' holistic well-being, and meaningful work with many opportunities for career growth and development.

In 2024 American Express was voted one of the Top 25 Employers in the UK by LinkedIn, and we continually invest in programmes, benefits and resources to ensure our colleagues have the backing they need to be and deliver their best. Below are some of our flagship benefits programmes:

- Healthy Living highlights the importance of preventive care, encourages and rewards healthy actions, and delivers practical and accessible resources that promote a healthy lifestyle. The Company has a team dedicated to health and well-being, led by a Medical Director, which oversees the Healthy Living Hub (a wellness concierge primary health care service) including Occupational Health services, with integrated referral and clinical care pathways. All colleagues have access to GP-led primary care service, Virtual GP and physiotherapy services for fast and easy access to healthcare. As part of the benefits provision, there are health services included in the health care plan as well.
- Smart Saving empowers colleagues to strengthen their financial knowledge, achieve their financial goals, and plan for the future.
- Healthy Minds provides colleagues and their loved ones access to free high-quality counselling, a personalised health concierge service, and aims to increase mental health awareness across the Company.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

EMPLOYEE ENGAGEMENT STATEMENT (Continued)

We believe that maintaining our strong workplace culture, adhering to our Blue Box values and ensuring that our people feel respected, valued, recognised and backed helps us attract, develop and engage the right talent for American Express' success. We do this by offering a compelling colleague value proposition, which includes a culture built on strong relationships, shared values and purpose, competitive pay and benefits that support our colleagues and their loved ones' holistic well-being, and meaningful work with many opportunities for career growth and development. This includes providing reasonable accommodations (e.g. assistive aids, accessible training materials) to ensure that the opportunities are available to all, including those colleagues living with disabilities, or those who develop a disability during their work tenure. Where a colleague develops a disability during their work tenure, the Company seeks to make necessary and appropriate adjustments to ensure they can continue to grow both personally and professionally within American Express.

We also provide colleagues at all levels with access to a wide variety of resources - grounded in our business strategy, Leadership Behaviors, and Blue Box Values - to support their ongoing career growth and leadership development. The following are our custom enterprise programmes:

- Career Growth @ Amex provides clear guidelines to help colleagues navigate and grow in their careers, built on four pillars - Deliver, Reflect, Learn, and Connect.
- Leadership @ Amex helps colleagues develop and strengthen their leadership skills and supports people leaders in becoming great performance and career coaches.
- Feedback @ Amex fosters a culture of two-way informal and formal feedback to help colleagues strengthen their coaching and feedback skills.

Consultation with colleagues and their representatives, with the aim of ensuring their views are taken into account when decisions are made that are likely to affect their interests, and ensuring they are aware of the financial and economic performance of their business units and of the Company as a whole, is well established. Communication continues through regular internal communications, newsletters, and briefing groups. The Group carries out an annual Colleague Experience Survey with a strong record of favorable results, which are communicated to all colleagues, discussed by the Board, and acted upon as necessary.

The Company aims to achieve a balance between delivering market competitive remuneration in order to attract and retain talent and optimising shareholder return. American Express has continued to reward and recognise the performance and dedication of colleagues with a focus on bolstering its competitive positioning through enhancements to the global short and long-term incentive programmes.

Eligible colleagues participate in equity awards with pay-outs that are linked to seniority and performance driven. A description of the plans and performance measures are available in the American Express Company's financial statements. See Note 4 for a summary description of the plans and the awards granted and outstanding during the year.

STAKEHOLDER ENGAGEMENT STATEMENT

The Board recognises that the fostering of good business relationships is crucial to the long-term success of the Company and Group as a whole. To this end, the Company has implemented an escalation framework so that issues impacting key stakeholders are escalated to the Board for its consideration. Given the Company has no external customers, the key stakeholders for the Company are considered to be the other companies within the American Express Group who benefit from the services provided; and the Company's employees who form the majority of the expense base and are responsible for providing the services.

The Company has continued to support and develop its employees throughout the year, as further detailed in the Employee Engagement Statement. The Company's principal action during the year was to continue to receive regular updates in relation to the Company's employees to ensure it was making the right decisions in relation to them. The Board also reviewed its own composition to ensure it had the right representation from the Colleague Experience Group so that the Board could continue to focus in this area.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Since 2018, American Express has been a CarbonNeutral® company, powered by 100% renewable electricity across its global operations.¹

As part of the Company's commitment to comply with all relevant environmental legislation, this section of the Directors' report discloses the Company's operational energy consumption and greenhouse gas (GHG) emissions, and energy efficiency measures in line with the UK government's Streamlined Energy and Carbon Reporting (SECR) initiative, including data from this financial year and the prior year (January to December; 2024 and 2023).

Methodology

American Express emissions are calculated in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition). The boundaries of the GHG inventory are defined using the operational control approach and cover certain emissions within our operations across scopes 1, 2 and 3:

- **Scope 1** – Direct emissions from mobile fleet vehicles*, stationary combustion of fuels in buildings, and fugitive hydrofluorocarbon ("HFC") emissions from air conditioning systems
- **Scope 2** – Indirect emissions from purchased electricity
- **Scope 3** – Other indirect emissions from business travel in employee-owned vehicles*

* For SECR reporting, energy consumption (and therefore GHG emissions) from the UK vehicle fleet is quantified based on actual mile reports for each UK entity. There were no company owned vehicles in 2024 in the UK, only claimed mileage in personal vehicles. For 2023 emissions and fuel economy conversions were sourced from UK DEFRA ("Department for Environmental, Food and Rural Affairs") GHG Conversion Factors 2023 updated on 28 June 2023. For reporting purposes, all cars are assumed to be average type with unknown fuel. Scope 3 emissions do not include emissions from employee business travel in third-party air, rail, rental cars or other forms of transportation such as taxis, livery, and/or ride share services, or emissions from other employee business travel impacts, such as hotel stays. Scope 3 emissions included in SECR reporting are not comparable to Scope 3 emissions reported at the Enterprise level.

The operations of American Express data centres, office facilities, mobile fleet and business travel represent GHG emissions included in the Enterprise's goal to remain CarbonNeutral® across its operations¹. Data is gathered on an ongoing basis, with primary evidence being sourced from office managers and managed centrally via the GHG Inventory Management Plan. Electricity intensity factor was used to estimate consumption for facilities where no metered data was available. The intensity factor was calculated by the country average of metered American Express sites.

American Express conforms to the GHG Protocol Scope 2 Guidance for quantifying Scope 2 emissions from purchased electricity, steam, and chilled water. Specifically, American Express quantifies and reports two Scope 2 emissions totals, using a 'location-based' method and a 'market-based' method. The location-based method considers average emission factors for the electricity grids that provide electricity to American Express. The market-based method considers contractual arrangements under which the Company procures Renewable Energy Certificates (RECs) and carbon offsets.

¹ Operations include all American Express managed facilities, field sites, and data centres. Managed facilities are individual properties operationally managed by the global real estate team and housing critical business functions. Field sites are individual properties that are not operationally managed by the global real estate team but directly by the business units. They are typically smaller sites, less than 30,000 square feet (including airport lounges, foreign exchange kiosks, and sales offices), that are owned or leased by American Express. American Express' goal to remain carbon neutral covers Scope 1 (direct emissions from sources owned or controlled by American Express), Scope 2 (indirect location-based and market-based emissions), Scope 3 emissions (Category 5 waste generated in operations and Category 6 business travel) through renewable energy credits, carbon offsets, and reduced GHG emissions. To align with the CarbonNeutral Protocol, additional carbon offsets were purchased with respect to certain categories of Scope 3 emissions that are not included.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (Continued)

To calculate Scope 1 fugitive emissions for HVAC and cooling of buildings, actual recharge of refrigerant from preventative maintenance reports was used to calculate fugitive emissions, otherwise assumptions were made regarding capacity and square footage of facility. For sites where actual data is not available, an annual leakage rate (in percent of capacity) for building HVAC was assumed to be 10% based on EPA guidance.

Refrigerant capacity of facilities was assumed based on facility area and US National Average sq. ft./ton capacity for office buildings as determined by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) and 2.52lb/ton refrigerant charge capacity was assumed per cooling-ton based on TRANE research of HFC-134a. It is assumed that estimated facilities use the refrigerant HFC-134a. In 2024, four out of ten of UK sites provided actual data on their refrigerant systems and this data was used to calculate fugitive emissions for the location. For such cases, where data is not available - emissions have been calculated in line with screening method described in US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases.

The primary metric that American Express uses for annual comparison of emissions is tCO₂e (tonnes of carbon dioxide equivalent) per employee.

UK Annual Energy Consumption & Carbon Emissions

Due to the nature of the UK business, in some instances multiple legal entities occupy the same office space and so are jointly responsible for energy consumed in that particular space. For SECR purposes, American Express has estimated entity-specific UK energy consumption and GHG emissions based on the proportion of each entity's employee headcount within that space. The following tables summarise the entity-specific energy consumption and subsequent emissions.

As shown in Tables 1 and 2, the Company had an increase in total energy and location-based Scope 2 emissions compared to the previous year. The intensity ratio (tCO₂e/employee) has also increased when comparing location-based and market-based metrics. Scope 3 Business Travel emissions from employee-owned vehicles increased over the same period.

Of the above mentioned changes, the increase in total energy consumption was the most material. This is mostly due to increased occupancy within the offices due to the change in AMEX policy regarding required office attendance. The increased number of occupants in the offices over 2024 is likely to have increased cooling demand on the electrically powered chillers throughout the UK region of the estate.

As a result, total Scope 1, 2, and 3 (Category 6 - Business Travel) decreased for market-based emissions but increased for location-based emissions between 2023 and 2024.

The summary information in Tables 1, 2, and 3 provides certain metrics related to the Company's environmental performance for the years ended 31 December 2024, and 2023. Environmental data is subject to significant inherent measurement uncertainty and may be based on estimates and management assumptions; actual results could differ. Reporting on environmental data, including the quantification of greenhouse gas emissions continues to evolve as data quantity and quality, estimation methodologies, industry standards, and measurement tools improve. Updates may be made in the future as American Express continues to refine its methodologies and collect and report this data.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (Continued)

UK Annual Energy Consumption & Carbon Emissions (Continued)

Table 1: Annual Energy Consumption

Energy	Unit	2024	2023
Natural Gas	kWh	364,412	300,425
Fuel Oil	kWh	1,222	718
Mobile Fuel	kWh	—	—
Total Direct Energy Consumption	kWh	365,634	301,143
Purchased electricity	kWh	537,647	490,087
Solar	kWh	60	53
Total Intermediate Energy Consumption	kWh	537,707	490,140
Transport (Business Travel)	kWh	13,471	12,170
Total	kWh	916,812	803,453

Table 2: Annual tCO₂e emissions

Greenhouse Gas (GHG) Emissions	Unit	2024	2023
Scope 1 – Direct	tCO ₂ e	67.26	68.44
Scope 2 (Location) – Indirect	tCO ₂ e	111.32	101.48
Scope 2 (Market) – Indirect	tCO ₂ e	—	—
Scope 3: Category 6 – Business Travel	tCO ₂ e	3.25	2.95
Total Scope 1, 2 (Location-Based), 3 (Category 6 - Business Travel)	tCO₂e	181.83	172.87
Total Scope 1, 2 (Market-Based), 3 (Category 6 – Business Travel)	tCO₂e	70.51	71.39

Table 3: tCO₂e intensity metric

Intensity Ratio	Unit	2024	2023
Market-based	tCO ₂ e/employees	0.2580	0.2295
Location-based	tCO ₂ e/employees	0.6652	0.5559

As part of its public disclosure, American Express' ESG Report includes a detailed section summarising the Group's global energy consumption and global GHG inventory. The link below provides access to the latest ESG Report. This information has not been audited by PricewaterhouseCoopers LLP but the environmental performance data included within it is covered by a limited level of assurance verification opinion provided by an external third party.

https://s26.q4cdn.com/747928648/files/doc_downloads/ESG/reporting-resources/2024/AXP_2023_2024_ESG_Report.pdf

Efficiency Measures

Since 2019, American Express has tracked progress against a number of operational environmental goals. With the validation of its revised science-based targets in alignment with SBTi, American Express is folding its former operational environmental goals into its net-zero strategy and efforts.

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (Continued)

Efficiency Measures (Continued)

Highlights of American Express' operational environmental performance in 2024 include continuing to power its operations with 100% renewable electricity, following the technical guidance from RE100, a global coalition of businesses committed to using 100% renewable electricity. American Express has maintained its CarbonNeutral® certified operations through renewable energy credits, carbon offsets, investing in internal energy efficiency measures, and reduced energy and GHG emissions. American Express has evaluated and implemented several energy efficiency measures across its real estate portfolio in the UK. Examples of measures implemented during reporting year 2024 are listed in Table 4:

Table 4: Energy Efficiency Projects

Location	Project Name	Estimated Savings (kWh)	Estimated Savings (tonnes CO ₂ , location based)	Estimated Savings p.a. (£)	Cost (£)	Status	Payback Period (y)
1 John Street	Replace fluorescent light fittings with LED fittings with smart controls	439,992	91.1	£135,786	£1,842,668	Implementation ongoing in 2024	13.6
	Replace 508x 'Ability Delta' Fan Coil Controllers	26,138	5.4	£8,066	£926,056		114.8
36 Mighell	Replace fluorescent light fittings with LED fittings with smart controls / EMEA-UK-RDC-LED Lighting Installation	114,155	23.6	£34,582	£179,899		5.6
Belgrave House	Replace HFC refrigerants with less harmful alternatives or upgrade technology / Replace chiller	35,478	7.3	£11,495	£222,851		19.4
	BMS / controls optimisations	61,752	12.4	£14,911	£3,240		0.2
	Decarbonization Audit	—	—	—	£14,747		N/A
Sussex House	BMS Optimizations	154,278	30.2	£26,815	£4,372	Implemented in 2024	0.2
	Reduce fabric frost protection from 16C to 14C.	65,520	12.0	£1,857	£0		0.0
	Reduce LTHW primary flow temp from 85C to 75C	65,520	12.0	£1,857	£0		0.0
	Reduce time schedule for all floors from 05:00 - 18:00 to 06:00 - 18:00	29,390	6.1	£8,927	£0		0.0
	Increase CHW hold off setpoint from 10C to 13C	71,203	14.7	£21,628	£0		0.0
	Reduce closed floor time schedules from 2hours to 1.5hours	44,085	9.1	£13,391	£0		0.0
	Change gas fired boilers from operating 24/7 365 to operate on demand from LTHW and DHW circuits.	291,167	53.3	£8,255	£0		0.0
Decarbonization Audit	—	—	—	£13,582		N/A	

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

CREDITOR PAYMENT POLICY

It is Company policy to pay vendors 60 days after receipt of a correct, undisputed, timely provided and properly due VAT invoice unless specific payment terms dictate otherwise. The Company has a range of payment tool options that can allow suppliers to be paid faster than the standard 60 days. The Company's average creditor period for 2024 was 30 days (2023: 26 days).

American Express Group Services Limited

Directors' Report for the year ended 31 December 2024 (Continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Company made no donations to advance the causes of charitable organisations (2023: £nil), as all charitable contributions are made by American Express Corporate Social Responsibility on behalf of the Group. No donations were made by the Company for political purposes (2023: £nil).

The Company partners with local and national charities, forging impactful partnerships and providing volunteer opportunities for employees.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP are deemed to be reappointed as auditors under section 487(2) of the Companies Act 2006.

The Directors' report and financial statements on pages 16 to 38 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

Signed by:

Julia Huson

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J Huson
Chair
9 July 2025

Signed by:

Louise Mansfield

276E80A52A1948D...

L Mansfield
Director

American Express Group Services Limited

Strategic Report for the year ended 31 December 2024

The Directors present their Strategic Report of American Express Group Services Limited (“the Company”) for the year ended 31 December 2024.

BUSINESS REVIEW

Objectives of the Company

The key objective of the Company is to provide high quality services to other American Express Group companies.

Business Strategy

The Company is focused on the key services which it provides. It aims to be appropriately remunerated for the services it provides and the costs it incurs.

The Company provides international services including supporting the GNS and NAS businesses.

The Company is additionally focused on strengthening and uplifting its risk culture and capabilities to deliver the highest standards for risk and control management.

Employee Strategy

To support business objectives, key colleague-related strategies include:

- Embedding the Career Growth model and developing the leaders of the future through innovative learning experiences, and fostering a culture of two-way informal and formal feedback;
- Engaging colleagues to strengthen the Company’s culture of inclusion, operational risk management and control risk management;
- Delivering an exceptional end-to-end internal and external recruiting experience; and
- Promoting holistic well-being for all colleagues across the moments that matter to them.

FINANCIAL PERFORMANCE

A number of performance indicators are used to monitor the Company’s progress against its strategies and objectives. As part of the monitoring of the Company’s financial performance, the Directors review the costs incurred and cost recovery. In addition, non-financial indicators are monitored including average number of employees.

For the services provided to American Express Limited (“AEL”) in support of the GNS business, the Company continues to be remunerated through an allocation of the net profit pool reported in AEL in respect of that business. In 2024, the overall net profit pool reported in AEL increased as compared to 2023, which resulted in a £1.4m increase in profit allocation. Offsetting this, charges to other Group companies decreased by £0.5m in line with a decreased cost base, and interest receivable and similar income increased by £4.8m due to higher average Bank of England interest rates and an increase in the balance of loans to Group undertakings. As a result, the Company has recorded turnover for the year ended 31 December 2024 of £78.4m (2023: £77.5m) and a profit before taxation of £39.5m (2023: £33.3m). The profit after taxation for the financial year was £29.7m (2023: £25.9m) and has been transferred to retained earnings. The capital position of the Company increased during the year as reflected by total shareholders’ funds of £331.4m as at 31 December 2024 (2023: £297.0m).

FINANCIAL RISK MANAGEMENT

The Company’s operations expose it to limited financial risks. Due to the way that the Company is remunerated for certain services, the level of revenue recorded by the Company is linked to the performance of the GNS business. However, the Company’s income under this arrangement is structured so as not to fall below actual costs incurred.

American Express Group Services Limited

Strategic Report for the year ended 31 December 2024 (Continued)

FINANCIAL RISK MANAGEMENT (Continued)

The Company primarily adopts the American Express Group's Enterprise-Wide Risk Management ("ERM") programme policies and strategies. The objective of the ERM is to identify, aggregate, monitor and manage risks in order to maintain and continuously improve risk management controls and processes that will enable profitable growth, while delivering outstanding customer service.

Credit Risk

Credit risk is the risk of loss to the Company due to the non-payment of an amount contractually owed to the Company by a business or organisation. The Company is not considered to be subject to any significant credit risk as it only provides services to other American Express Group companies.

The Group operates a funding arrangement under which amounts owed by group undertakings are cash settled on a monthly basis, with any resulting cash surplus being loaned to affiliate entities through interest-bearing loans. The level of credit risk attached to intercompany positions is limited, given that all entities are part of the same financially strong group.

Market Risk

Market risk is the risk to earnings or asset and liabilities values resulting from movements in market prices. The Company's market risk exposure includes:

- Interest rate risk driven by changes in the relationship between the interest rates on the Company's assets and the interest rates on the Company's liabilities; and
- Foreign exchange risk arising from earnings, funding and transactions in currencies other than the functional currency.

The Company adopts the Market Risk Policy within the ERM programme, whose objective is to identify and manage market risk exposures within the policy limits in the context of the Group's overall business model, while supporting sustainable earnings growth. This is accomplished by identifying, measuring and reporting such exposures on a periodic basis and by managing its exposures within the policy limits.

(i) Interest Rate Risk

The Company has interest-bearing assets, primarily cash and intercompany loans, that receive interest at floating short-term rates. These are managed in line with enterprise-wide Market and Liquidity Risk Policies.

For the purposes of interest rate risk management, the Company does not enter into any contract that gives rise to the recognition of derivative financial instruments for trading purposes.

(ii) Foreign Currency Risk

Foreign exchange risk is generated by cross currency transactions and foreign currency balance sheet exposures. The Company is not ultimately exposed to any transactional foreign exchange gains or losses as they are borne by a related Group entity.

Funding and Liquidity Risk

Funding and liquidity risk is defined as the inability of the Company to meet its ongoing financial and business obligations as they become due at a reasonable cost.

The Company primarily adopts the enterprise-wide Funding and Liquidity Risk Policy, which aims to ensure diversified funding during business as usual periods by source, maturity and instrument and that the Group can continuously meet all of its liquidity needs throughout scenarios in which it cannot access the capital or money markets for up to 12 months.

American Express Group Services Limited

Strategic Report for the year ended 31 December 2024 (Continued)

FINANCIAL RISK MANAGEMENT (Continued)

Funding and Liquidity Risk (Continued)

The Group manages funding and liquidity risk by maintaining access to a diverse set of cash, readily-marketable securities and contingent sources of liquidity, such that each American Express operating company can continuously meet its business requirements and expected future finance obligations for at least a 12 month period, even in the event it is unable to raise new funds under its regular funding programmes. The Group balances the trade-offs between maintaining too much liquidity, which can be costly and limit financial flexibility, and having inadequate liquidity, which may result in financial distress during a liquidity event.

The Board are informed of any changes in Group funding policy or practices that would materially affect the Company and its ability to continuously fund its business requirements although liquidity risk is deemed low given the Company's limited liabilities.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006 which is summarised as follows:

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

As part of their induction, a Director is briefed on their duties and they can access professional advice on these, either from the Company Secretary or, if they judge it necessary, from an independent adviser. The Directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the Company. Furthermore, it is important that they understand both the short and long-term consequences of these decisions.

The following paragraphs summarise how the Directors fulfil their duties:

1. Risk management

For details of the Company's principal risks and uncertainties, please refer to the Outlook, Principal Risks and Uncertainties section of the Strategic Report.

The Company has a robust internal control framework with clear roles and responsibilities for escalation and remediation of risks. The framework consists of governance, risk assessment, issue management, and reporting and monitoring by which the Company identifies, assesses, measures, monitors and controls risks facing the business. The Company has the "three lines of defence" approach to risk management. Independence is maintained from First Line (the business) - functions directly initiating revenue, expense management, or risk decision activities; Second Line (compliance function) - independent functions overseeing risk in the First Line; and Third Line (internal audit) - independent group providing assurance that the First and Second Lines are operating effectively.

During the year, the Board continued to monitor several key areas including the potential risks to the GNS business due to the macro environment which could impact the remuneration received from the AEL profit allocation. The Board also monitored key updates related to the Network Acquirer Solution business.

American Express Group Services Limited

Strategic Report for the year ended 31 December 2024 (Continued)

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006 (Continued)

2. Our People

The Company is committed to being a responsible business. The Board's behaviour on behalf of the Company is aligned with the expectations of its people, customers, investors, communities and society as a whole. People are at the heart of what the Company does. For the Company's business to succeed, the Directors are ultimately responsible for managing colleague performance and development, bringing through talent whilst ensuring that the Company operates as efficiently as possible. The Board must also ensure that all colleagues share common values that inform and guide their behaviour, so they achieve their goals in the right way.

During the year, the Board received updates from the Global Real Estate team in respect of the UK building footprint and colleague usage.

The Board continues to work alongside the Colleague Experience Group to attract and retain talent by allowing all workers to take advantage of the Amex Flex working model, splitting time between home and the office. The Board has also considered the potential impacts of employee turnover on the Company and continues to update the succession planning for key roles.

For further details on our people, please refer to the Employee Engagement Statement in the Directors' Report.

3. Business relationships

The Company's strategy, implemented by the Directors, is focused on the key services it provides, whilst ensuring it continues to be appropriately remunerated by other Group entities.

The Company has no external customers, with all services being provided to other companies within the American Express Group. For certain services, the Company is remunerated based on the performance of the GNS business, with the Directors receiving an update on the performance of that business at every Board meeting.

There have been no principal decisions to be made by the Board that would impact business relationships during the year ended 31 December 2024. Were any issues to arise, these would have been escalated to the Board and decisions would be taken in the best interests of the Company's key stakeholders, with due consideration to the risks involved.

4. Community and environment

The Company's approach is to use its position of strength to create positive change for the people and communities with which it interacts. The Board, on behalf of the Company, wants to leverage the expertise of its people and enable employees to support local communities.

The Company, along with the Group's, approach to environmental stewardship within its operations includes a focus across various themes, such as energy and emissions management, waste management, third-party green building certifications, and responsible sourcing. American Express prioritises the management and improvement of its own footprint, including the environmental impacts of its offices and operations. It is also powering its network and data centres more efficiently and with the use of renewable resources, as well as exploring more sustainable payment solutions, including utilising reclaimed ocean-bound plastic to make its cards. Finally, the Company strives to work with diverse suppliers and source environmentally and socially responsible products and services from approved third-party vendors.

The Board considers the impacts of all its decisions on the community and the environment. However, there were no significant events during the year specifically related to the community or the environment that warranted escalation to the Board or specific consideration by the Company rather than the Group.

If such an event were to arise it would be escalated to the Board through the Company's existing risk management and governance framework. For further details concerning the environment please refer to the 'Streamlined Energy and Carbon Reporting' section within the Directors' report.

American Express Group Services Limited

Strategic Report for the year ended 31 December 2024 (Continued)

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006 (Continued)

5. Shareholders

The Company is a wholly owned subsidiary within the American Express Group, whose ultimate parent is listed on the New York Stock Exchange. The Board of American Express Company is committed to openly engaging with its shareholders, as it recognises the importance of a continuing effective dialogue, whether with major institutional investors, private or employee shareholders. It is important to American Express that shareholders understand our strategy and objectives, so these must be explained clearly and any issues or questions raised be properly considered. The Company Board ensures that it applies consistent shareholder priorities. To this end, the Board regularly reviews its business strategy to ensure the steps being taken in this regard align with the American Express shareholder priorities and that said strategies maximise shareholder return.

OUTLOOK, PRINCIPAL RISKS AND UNCERTAINTIES

In line with Group strategy, the Company is focused on maintaining growth in an uncertain economic and political environment whilst managing costs and upholding service quality.

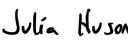
Having a lean and flexible operating structure is a critical element in the Company's strategy. To help in that regard, the Company periodically undertakes restructuring initiatives to further reduce its operating costs by reorganising certain operations. The goal is to make the Company more flexible, more efficient and more effective in using resources to help drive growth across the Group.

The net profit pool reported in AEL, of which the Company receives an allocation as remuneration for services provided, is dependent on the performance of the GNS business. Slow economic growth, economic contraction or shifts in broader consumer and business trends can significantly impact customer behaviours and the performance of that business. Factors such as consumer spending and confidence, inflation, interest rates, energy costs, household income, unemployment rates and geopolitical instability all affect the economic environment and, ultimately, the profit allocation received by the Company. The Company continues to monitor the impacts of the economic environment on the AEL profit allocation, however the Company's income under this arrangement will never fall below actual costs incurred.

The Company expects to continue to provide services to other companies within the American Express Group for the foreseeable future.

After making enquiries, the Directors consider the Company to have a strong capital and liquidity position and be well supported by the American Express Group, therefore having a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future, being at least twelve months from the date of approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

The Strategic Report was approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

Signed by:

 23D5EFD2E31342E...
 J Huson
 Chair

Signed by:

 276E80A52A1948D...
 L Mansfield
 Director

9 July 2025

American Express Group Services Limited

INCOME STATEMENT

For the year ended 31 December 2024

	<i>Note</i>	2024 £000	2023 £000
TURNOVER	3	78,413	77,488
Administrative expenses		(57,978)	(58,429)
OPERATING PROFIT		20,435	19,059
Interest receivable and similar income	6	19,021	14,268
PROFIT BEFORE TAXATION	7	39,456	33,327
Tax on profit	8	(9,758)	(7,429)
PROFIT FOR THE FINANCIAL YEAR		29,698	25,898

The Notes on pages 20 to 38 form an integral part of the financial statements.

American Express Group Services Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024 £000	2023 £000
Profit for the financial year	<u>29,698</u>	<u>25,898</u>
Total comprehensive income for the year	<u>29,698</u>	<u>25,898</u>

The Notes on pages 20 to 38 form an integral part of the financial statements.

American Express Group Services Limited

BALANCE SHEET

As at 31 December 2024

Registered number: 06613927

	<i>Note</i>	2024 £000	2023 £000
CURRENT ASSETS			
Debtors	9	351,941	313,054
Cash at bank and in hand	10	2,747	4,636
		354,688	317,690
CREDITORS: Amounts falling due within one year	11	(23,330)	(20,328)
NET CURRENT ASSETS		331,358	297,362
TOTAL ASSETS LESS CURRENT LIABILITIES		331,358	297,362
PROVISIONS FOR LIABILITIES	12	(5)	(386)
NET ASSETS		331,353	296,976
CAPITAL AND RESERVES			
Called up share capital	13	—	—
Share-based payment reserve		12,394	11,806
Retained earnings		318,959	285,170
TOTAL SHAREHOLDERS' FUNDS		331,353	296,976

The Notes on pages 20 to 38 form an integral part of the financial statements.

The financial statements on pages 16 to 38 were approved by the Board of Directors on 9 July 2025 and signed on its behalf by:

Signed by:

Julia Huson

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J Huson

Chair

9 July 2025

Signed by:

Louise Mansfield

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L Mansfield

Director

American Express Group Services Limited

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

Registered number: 06613927

	Called up share capital	Share- based payment reserve	Retained earnings	Total Shareholders' Funds
	£000	£000	£000	£000
At 1 January 2024	—	11,806	285,170	296,976
Profit for the financial year	—	—	29,698	29,698
Total comprehensive income for the year	—	—	29,698	29,698
Disposal of Accertify Inc servicing business	—	—	4,091	4,091
Share based payment charge	—	1,712	—	1,712
Recharge paid to parent for share based payments	—	(1,732)	—	(1,732)
Current and deferred tax movements in equity	—	608	—	608
At 31 December 2024	—	12,394	318,959	331,353

	Called up share capital	Share- based payment reserve	Retained earnings	Total Shareholders' Funds
	£000	£000	£000	£000
At 1 January 2023	—	11,398	259,272	270,670
Profit for the financial year	—	—	25,898	25,898
Total comprehensive income for the year	—	—	25,898	25,898
Share based payment charge	—	1,753	—	1,753
Recharge paid to parent for share based payments	—	(1,691)	—	(1,691)
Current and deferred tax movements in equity	—	346	—	346
At 31 December 2023	—	11,806	285,170	296,976

The Notes on pages 20 to 38 form an integral part of the financial statements.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The financial statements of American Express Group Services Limited (“the Company”) for the year ended 31 December 2024 were reviewed by the Board of Directors on 9 July 2025 and approved on the Board’s behalf by J Huson and L Mansfield.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company is able to take advantage of certain disclosure exemptions available under FRS 101 as it is a wholly owned subsidiary of American Express Company.

The Company is a private company limited by shares, registered in England and Wales, domiciled in the United Kingdom and is part of the American Express Group of companies.

The Company's immediate parent is American Express International Inc., incorporated in the United States of America, which is the parent undertaking of the smallest group in which the Company’s results are consolidated. The ultimate parent and controlling entity is American Express Company, incorporated in the United States of America, which is the parent undertaking of the largest group in which the Company’s results are consolidated. Copies of the American Express International Inc. and American Express Company financial statements can be obtained from American Express Company, American Express Tower, World Financial Center, New York, NY 10285, USA.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies which have been consistently applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements are prepared in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The financial statements are prepared on a going concern basis under the historical cost convention. The Board remain satisfied with the appropriateness of preparing the financial statements on a going concern basis, considering the level of capital held and that under the current arrangements the Company will always be profitable. The functional currency is pounds sterling (£) and the financial statements and notes are presented in pounds sterling with values rounded to the nearest thousand (£000) unless otherwise stated.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.16.

The Company has taken advantage of the following disclosure exemptions allowed under FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2, ‘Share-based payment’ (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined);
- the requirements of IFRS 7 ‘Financial Instruments: Disclosures’ provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

- the requirements of IFRS 13 'Fair Value Measurement' paragraphs 91-99, provided that equivalent disclosures are included in the financial statements of the group in which the entity is consolidated;
- the requirements of IAS 1 'Presentation of Financial Statements' paragraph 38 to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 (reconciliation of shares outstanding);
- the requirements of the following paragraphs of IAS 1 'Presentation of Financial Statements':
 - 10(d) *statement of cash flows*;
 - 10(f) *balance sheet as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements*;
 - 16 *statement of compliance with all IFRS*;
 - 38(a) *requirement for minimum of two primary statements, including cash flow statements*;
 - 38(b)-(d) *additional comparative information*;
 - 111 *cash flow statement information*; and
 - 134-136 *capital management disclosures*
- the requirements of IAS 7 'Statement of Cash Flows' to prepare a statement of cash flows;
- the requirements of IAS 8 'Accounting Policies Changes in Accounting Estimates and Errors' paragraphs 30 and 31, concerning new IFRS that have been issued but are not yet effective;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers';
- the requirements of IAS 24 'Related Party Disclosures' paragraphs 17 and 18 to disclose the compensation of key management personnel; and
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

(a) Standards and Interpretations effective in 2024

The Company has adopted the following standards and amendments to standards with an initial date of application of 1 January 2024:

- **Amendments to IAS 1, Presentation of financial statements on classification of liabilities**
The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. There is also clarity of what the standard means when it refers to the 'settlement' of a liability. The amendment does not significantly affect the Company's financial statements.
- **Amendments to IAS 12 Income Taxes – International Tax Reform Pillar Two Model Rules**
Pillar Two legislation has been enacted in the United Kingdom, effective 1 January 2024. The Company has performed an assessment of the Company's exposure to Pillar Two income taxes. Based on the assessment performed, no income tax expense has been included in the statement of profit or loss in 2024 related to Pillar Two income taxes (2023: not applicable). On 23 May 2023, the International Accounting Standards Board (IASB) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12. The Company has applied the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes.

(b) Standards and amendments early adopted by the Company

No new or amended standards and interpretations were adopted early by the Company.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements of the Company are presented in pounds sterling (£), which is the Company’s functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated into the functional currency based on exchange rates prevailing at the end of the year; non-monetary assets and liabilities are translated at the historic exchange rate at the date of the transaction. The resulting exchange gains and losses are borne by a related Group entity.

2.3 Financial assets

The Company classifies all its financial assets as financial assets at amortised cost. The Company did not hold any financial assets classified at fair value through profit or loss (FVTPL) or at fair value through other comprehensive income (FVTOCI) during the reporting period.

The classification is determined on the basis of both: (1) the Company’s business model for managing the financial assets and (2) the contractual cash flow characteristics of the financial asset. For an asset to be measured at amortised cost, the contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI). For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. Interest is the consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

Management determines the classification of financial assets and liabilities at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets at fair value through profit or loss is generally irrevocable. Loans are recognised when cash is advanced to the borrower.

(a) Financial assets at amortised cost

Financial assets at amortised cost are financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

Financial assets at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. Financial assets at amortised cost as disclosed in the balance sheet include the following categories:

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.3 Financial assets (Continued)

(a) Financial assets at amortised cost (Continued)

Debtors

(i) Loans to group undertakings

Loans to group undertakings represents unsecured loans extended by the Company to other Group companies. Expected credit losses are not material given the nature of lending and the strong credit position of the Group.

(ii) Amounts owed by group undertakings

Amounts owed by group undertakings represent amounts recoverable for services within the American Express Group. Expected credit losses are not material given the typically short-term nature of these balances and the strong credit position of the Group.

(iii) Other debtors

Other debtors relate to other receivables due to the Company in the normal course of business. Other debtor balances are presented on the balance sheet net of reserves for expected credit losses.

2.4 Business combinations, acquisitions and disposals

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties after the combination are accounted for in the financial statements prospectively (“the predecessor values method”) from the date the Company obtains the ownership interest. Upon the acquisition of a business or entity, the assets and liabilities of the combined entities or businesses are recognised at their book values. Under the predecessor values method, the investments in subsidiaries are recognised at cost. The cost at the point of recognition is deemed to be equivalent to net book value if the entities involved in such transaction are under common control. No goodwill or discount on acquisition is recognised. An impairment assessment is carried out annually and an impairment is recognised if the recoverable amount of the investment is less than the carrying amount and the loss is recognised in the income statement.

For disposals where a business is transferred to a subsidiary within a business combination, the cost is the consideration paid to acquire the investment in the subsidiary, not the consideration received from the subsidiary for the acquisition of the net assets comprising the business. The consideration paid is therefore the carrying value (equivalent to book value) of the assets transferred.

2.5 Impairment of financial assets

The Company assesses financial assets for credit losses at each balance sheet date, and measures loss allowance for expected credit losses. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company will measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. The Company will measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

(a) Loans to and amounts due from group undertakings

Loans to and amounts due from group undertakings represent amounts due from other Group companies and as such are not subject to any material impairment losses given the nature of the lending and the strong credit position of the Group.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.5 Impairment of financial assets (Continued)

(b) Other debtors

Given the short-term nature of other debtors the loss allowance is determined by the lifetime expected credit losses. Forward looking information that indicates the debtor will experience financial difficulties, enter bankruptcy or financial reorganisation, default or become delinquent is incorporated in the determination of the loss allowance.

2.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously. A transferred asset and the associated liability are not offset where a transfer of a financial asset does not qualify for derecognition.

2.7 Derecognition of financial instruments, including receivables

Financial instruments are derecognised when the rights to receive cash flows have expired or a transfer of the financial instruments has taken place where the Company has transferred substantially all the risks and rewards of ownership and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished.

2.8 Cash at bank and in hand

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of 90 days or less. Bank overdrafts are shown as bank loans and overdrafts within creditors falling due within one year on the balance sheet.

All cash and bank balances and money market instruments are carried at the principal amount. Interest is recognised using the effective interest method.

2.9 Financial liabilities

The Company only holds financial liabilities classified as other financial liabilities which are measured at amortised cost. Management determines the classification of financial liabilities at initial recognition and re-evaluates this designation at every reporting date.

Financial liabilities are initially measured at fair value, net of transaction costs. Subsequent measurement is at amortised cost using the effective interest method, with interest expense recognised in the income statement on an effective yield basis. Financial liabilities are classified as amounts owed to group undertakings, trade creditors, other creditors and accruals in the balance sheet.

2.10 Current and deferred tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.10 Current and deferred tax (Continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where the deferred tax balances relate to the same taxation authority, and a legally enforceable right to offset exists. Current tax assets and tax liabilities are offset (where a legally enforceable right exists) where the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax charges and credits are recognised in the income statement, except to the extent that they relate to items recognised in other comprehensive income or directly in equity. In this case, the tax charge is also recognised in other comprehensive income or directly in equity.

2.11 Employee benefits

(a) Wages and salaries, annual leave and sick leave and bonuses

Liabilities for wages and salaries, including non-monetary benefit and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date as a result of restructuring or whenever an employee accepts voluntary redundancy in exchange for termination benefits. The Company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

(c) Pension obligation

American Express Company provides pension arrangements for employees through defined benefit plans and defined contribution schemes in the UK.

The participating employers of the UK plan share the associated risks of the plan under common control, with no stated policy of sharing net defined benefit cost or for determining the contributions to be paid by each sponsoring employer. None of the participating legal entities have been assessed as sponsoring employers of the plan. As a result, the American Express UK legal entities account for the plan as if it were a defined contribution arrangement, with additional disclosure notes compliant with IAS 19. Contributions are charged to the income statement in the period in which they are paid. Payments to the Company's defined contribution stakeholder pension schemes are recognised as an expense as they fall due.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.11 Employee benefits (Continued)

(d) Share based compensation plans

The Company issues equity-settled share-based awards as compensation for services rendered by certain employees. All awards are measured as equity-settled awards. The cost of these awards is generally recognised ratably based on the grant-date fair value of the awards, net of expected forfeitures, over the vesting period. Generally, the vesting period is the time from the date the award is granted to the earlier of the vesting date defined in each award agreement or the date the colleague will become eligible to retire. Retirement eligibility is dependent upon age and/or years of service.

The fair value of options granted is determined by using the Black-Scholes-Merton option-pricing model. Restricted Stock awards or units (collectively referred to as "RSUs") that do not include the Relative Total Shareholder Return (R-TSR) modifier are valued using American Express Company's stock price on the date of grant. The performance-based RSUs that include the R-TSR modifier are valued using a Monte Carlo valuation model. The R-TSR modifier is a specific performance condition that defines total shareholder return as the stock price appreciation over the performance period in comparison to American Express' peers and is a determining factor in the final shares issued to an employee.

As options and awards on American Express Company shares are granted by the ultimate parent company to the employees of the Company, those awards are accounted for in equity. The Company has an obligation to repay the ultimate parent company for the share-based payments, and that repayment is offset against equity to the extent that it has been paid or is payable to the ultimate parent company.

2.12 Provisions and contingent liabilities

Provisions are recognised where the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised on future operating losses. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate of the obligation.

Provisions are measured at the present value of the expected required expenditures to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are disclosed when there is a present obligation that arises from past events but are not recognised because the amount of the obligation cannot be measured reliably, or where there is a possible obligation arising from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

2.13 Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Revenue recognition

Revenue comprises income arising in the course of the Company's ordinary activities, net of value added and other taxes, rebates and discounts. The Company recognises revenue at an amount that reflects the consideration to which it expects to be entitled in exchange for transferring services to a customer.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

2.14 Revenue recognition (Continued)

Turnover comprises income from services provided to other American Express Group companies. The Company charges the related Group entity on an arm's length basis, with revenue being recognised in the period in which the service is provided. The Company determines these revenues using either traditional transaction methods or transactional profit methods.

2.15 Interest receivable and interest payable

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Interest expense includes interest incurred primarily to fund general purposes and liquidity needs and is recognised as incurred.

2.16 Accounting estimates, assumptions, and judgements

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

(a) Estimates and assumptions

There are a number of estimates made in the preparation of the financial statements. However, these are not considered critical accounting estimates based on the IAS 1 definition.

(b) Judgements

The preparation of the financial statements involves a number of judgements. The items with a higher degree of judgement or complexity are:

Defined benefit pension scheme

Certain employees participate in a defined benefit pension scheme with several participating employers sharing the risks between entities under common control. The plan does not have a stated policy for sharing net defined benefit cost or for determining the contributions to be paid by each participating legal entity for this scheme.

None of the participating legal entities have been assessed as being sponsoring employers of the plan. In the judgment of the Directors, the Company does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore, the scheme is accounted for as a defined contribution scheme (see Note 15 for further details).

3. TURNOVER

Turnover solely comprises income from services provided to other American Express Group companies of £78.4m (2023: £77.5m). All turnover for the financial year originated within the UK.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

4. STAFF COSTS

	2024	2023
	£000	£000
Wages and salaries	32,414	33,554
Social security costs	4,408	4,485
Other pension costs	4,923	4,912
Stock compensation expense	1,712	1,753
	43,457	44,704

Included within wages and salaries is an amount of £0.9m (2023: £0.8m) related to restructuring expense.

The monthly average number of staff employed by the Company during the year was as follows:

	2024	2023
	No.	No.
Global Network Services	84	89
Network and Acquirer Solutions	148	143
Accertify	11	32
Other business functions	22	24
Other support groups	19	21
	284	309

Restricted Stock Units or Awards (RSUs)

An RSU is a grant of American Express Company's common stock, which contains either (a) service conditions or (b) both service and performance conditions. Once vested, the employees receive common shares of American Express Company.

RSUs containing only service conditions generally vest rateably over three years, or four years for awards granted prior to 2022, beginning with the first anniversary of the grant date. RSUs containing both service and performance conditions generally vest on the third anniversary of the grant date and the number of shares that an employee receives from performance based RSUs generally ranges from zero to 120% of target depending on the achievement of predetermined American Express Company performance metrics. RSU holders receive dividend equivalents or dividends.

Performance-based RSUs include a relative total shareholder return (R-TSR) modifier so that actual shareholder return relative to a comparable peer group is one of the performance conditions that determines the number of shares ultimately issued upon vesting.

The fair value of RSUs that do not include the R-TSR modifier, including those that contain only service conditions, is measured using American Express Company's stock price on the date of grant. The fair value of the performance-based RSUs that include the R-TSR modifier is determined using a Monte Carlo valuation model using assumptions based on the historical volatility of American Express Company's common stock price, the historical correlations of American Express Company's common stock price and that of each of the companies in the performance peer group and the risk-free interest rate, each for a period equal to the estimated remaining performance period. As of 31 December 2024, the total outstanding RSUs are expected to vest over a weighted average period of 0.85 years (2023: 0.87 years).

As at 31 December 2024 there were 27,406 (2023: 32,298) RSUs outstanding. During 2024, 13,697 (2023: 13,561) RSUs vested with a weighted average grant price of USD 135.40 each (2023: USD 132.78 each).

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

5. DIRECTORS' REMUNERATION

	2024	2023
	£000	£000
Emoluments	505	543
Amounts receivable under long-term incentive schemes	182	170
Pension costs	29	20
	716	733

The number of Directors to whom retirement benefits were accruing in respect of qualifying services during the year ended 31 December 2024 were as follows:

	2024	2023
	Number	Number
Money purchase schemes	6	3

During the year six Directors (2023: three) exercised share options in American Express Company, the ultimate parent company, and/or received common stock in American Express Company as a result of Restricted Stock Awards ("RSUs") vesting in the year.

The following payments were made in respect of the highest paid Director:

	2024	2023
	£000	£000
Emoluments including amounts receivable under long-term incentive schemes	368	439
Pension Costs	8	7
	376	446

In addition, the highest paid Director also exercised share options in American Express Company, the ultimate parent company, and/or received common stock in American Express Company as a result of RSUs vesting in the year.

Two Directors (2023: one) who served during the year are employed by, and receive their remuneration from, another American Express group company; services provided by employees of one American Express group company to another fall under the enterprise-wide Transfer Pricing Policy and are recharged if appropriate.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£000	£000
Interest earned from Group undertakings	19,021	14,268
	19,021	14,268

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

7. PROFIT BEFORE TAXATION

	2024 £000	2023 £000
Profit before taxation is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	76	74

Administrative expenses include staff costs and other administrative expenses.

8. TAX ON PROFIT

The differences between the taxation reflected in the financial statements and the amounts calculated at the statutory rate of 25% (2023: 23.52%) are as follows:

	2024 £000	2023 £000
Profit before taxation	<u>39,456</u>	<u>33,327</u>
Tax on profit before taxation at standard rate of 25% (2023: 23.52%)	9,864	7,839
<u>Adjusted for the effects of:</u>		
Non-deductible expenses/(non-taxable income)	36	36
Impact of changes in tax rates	—	(41)
Adjustments in respect of current income tax of prior years	(157)	(429)
Share based payments net tax deduction	15	24
Total tax on profit	<u>9,758</u>	<u>7,429</u>

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

8. TAX ON PROFIT (Continued)

	2024	2023
	£000	£000
<u>Current income tax</u>		
Current income tax	9,565	8,237
Adjustments in respect of current income tax of prior years	(157)	(429)
Total current tax	<u>9,408</u>	<u>7,808</u>
<u>Deferred tax</u>		
Origination and reversal of temporary differences	350	(338)
Impact of change in tax rate	—	(41)
Total deferred tax	<u>350</u>	<u>(379)</u>
Income tax expense	<u>9,758</u>	<u>7,429</u>
Taxation on items not (credited) / charged to the income statement	2024	2023
	£000	£000
Current tax credit		
Tax deduction on share options / awards in excess of expense recognised	(198)	(101)
Prior year adjustments	(48)	(155)
Deferred tax charge/ (credit):		
Tax deduction on share options / awards in excess of expense recognised	(362)	(81)
Impact of change in tax rate	—	(9)
	<u>(608)</u>	<u>(346)</u>

Factors affecting the tax charge for the year:

Deferred tax has been calculated at the UK statutory rate of 25%.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

8. TAX ON PROFIT (Continued)

Deferred tax

The following are the major deferred tax assets recognised by the Company and movements thereon:

	Share Based Payments £000	Fixed Assets £000	Others £000	Total £000
At 1 January 2024	1,054	2,021	42	3,117
Deferred tax (charge)/credit to income statement for the year	14	(357)	(7)	(350)
Tax rate change to income statement	—	—	—	—
Tax rate change to equity	—	—	—	—
Deferred tax (charge)/credit to equity	362	—	—	362
At 31 December 2024	1,430	1,664	35	3,129
	Share Based Payments £000	Fixed Assets £000	Others £000	Total £000
At 1 January 2023	883	1,735	30	2,648
Deferred tax (charge)/credit to income statement for the year	57	270	11	338
Tax rate change to income statement	24	16	1	41
Tax rate change to equity	9	—	—	9
Deferred tax (charge)/credit to equity	81	—	—	81
At 31 December 2023	1,054	2,021	42	3,117

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

9. DEBTORS

	2024	2023
	£000	£000
Loans to group undertakings	346,610	299,900
Amounts owed by group undertakings	1,693	9,624
Deferred tax asset (Note 8)	3,129	3,117
Other debtors	509	413
	351,941	313,054

The debtors above include the following non-current amounts:

	2024	2023
	£000	£000
Deferred tax asset (Note 8)	3,129	3,117
	3,129	3,117

Amounts owed by group undertakings are unsecured and repayable on demand.

Loans to group undertakings represents unsecured loans extended by the Company to affiliates, which are repayable on demand. Interest is applied daily and cash settled monthly on any outstanding loan balance until the principal is repaid. Interest is computed on the basis of actual days elapsed and a year of 365 days. The carrying amount is deemed to approximate fair value due to the short-term nature of the balances.

10. CASH AT BANK AND IN HAND

	2024	2023
	£000	£000
Cash at bank and in hand	2,747	4,636

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

11. CREDITORS: amounts falling due within one year

	2024	2023
	£000	£000
Amounts owed to group undertakings	3,179	1,827
Trade creditors	77	633
Other taxation and social security	1,076	1,044
Corporation Tax	9,367	8,135
Other creditors	1,415	1,426
Accruals	8,216	7,263
	23,330	20,328

The current portion of trade and other creditors are carried at cost which approximates fair value due to the short-term nature thereof.

Amounts owed to group undertakings are unsecured and repayable on demand.

Included within Creditors are £12.9m (2023: £11.1m) classified as financial liabilities, the maturity of which is no greater than 60 days.

12. PROVISIONS FOR LIABILITIES

	Restructuring
	£000
Cost:	
At 1 January 2024	386
Increase in provision	1,345
Utilised during the year	(1,259)
Releases during the year	(467)
At 31 December 2024	5

Restructuring

From time to time, the Company initiates restructuring programmes to become more efficient and effective, and to support new business strategies. These programmes are generally completed within a year of when they are initiated. In connection with these programmes, the Company typically will incur severance and other exit costs. During 2024 the Company recognised £0.9m (2023: £0.8m) of restructuring charges.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2024

13. CALLED UP SHARE CAPITAL

	2024 Number	2023 Number	2024 £	2023 £
<i>Authorised</i>				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	100,000	100,000	100,000	100,000
<i>Issued, called up and fully paid</i>				
Ordinary shares of £1 each	1	1	1	1
	1	1	1	1

14. DIVIDENDS PAID

The Directors do not propose the payment of a dividend (2023: £nil).

15. PENSIONS

American Express provides retirement benefits through a variety of arrangements comprising defined benefit and defined contribution plans; the most material of which is the American Express UK Pension Plan ('the UK Plan').

The UK Plan and the related costs are assessed in accordance with the advice of qualified independent actuaries. The Plan has several participating employers sharing the risks between entities under common control. The UK Plan does not have a stated policy for sharing net defined benefit cost or for determining the contributions to be paid by each participating legal entity for this scheme. None of the participating legal entities have been assessed as being sponsoring employers of this Plan. As a result, American Express UK legal entities account for this Plan as if it was a defined contribution arrangement with additional disclosure notes compliant with the IAS19 requirements for these types of arrangements. The information of this Plan as a whole is presented below.

The UK Plan is a defined benefit pension plan with a normal retirement age of 65. The UK Plan was offered to employees who joined the Company before 1 July 2006 and has a weighted average duration of around 11 years. The UK Plan was closed to future accrual on 31 July 2013, although the link to future salary increases was retained up to the end of 2016. The benefit payable from the Plan varies depending on whether the member joined before 1996 or after. For those joining before 1996, there is a pension benefit payable from the Plan that increases in line with statutory requirements. For those joining after 1996, there is a lump sum benefit payable at retirement which the employees can use to purchase an annuity or transfer to an approved plan. All employees in the UK are now offered a defined contribution scheme.

The UK Plan operates under trust law and is governed by a Trustee board in accordance with the terms of the Trust Deed and Rules and relevant legislation. The Plan's assets are held by the Trust.

The contributions paid to the UK Plan are agreed with the Trustees on the basis of a valuation carried out by the Scheme Actuary. Principal factors that the Scheme Actuary will have regard to include the covenant offered by the Sponsor, the level of risk in the Plan, the Plan's investment strategy and the Plan's funding level. In compliance with the Pensions Act 2004, the Sponsor and the Trustee agreed a scheme-specific funding target, statement of funding principles, a schedule of contributions and a recovery plan accordingly.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

15. PENSIONS (Continued)

The IAS19 liability is most sensitive to changes in discount rate, which depends on market yields on Sterling-denominated AA-rated corporate bonds. In addition to the interest rate risk, the value of liability also depends on the assumptions made about future inflation and life expectation and the risks associated with actual experience in these two areas differing over the long-term from the assumptions adopted.

Key assumptions and valuation results

The key assumptions used to value the UK Plan's liabilities based on IAS19 requirements, together with the results obtained, are set out below.

Assumptions	Nominal % pa	
	2024	2023
Discount rate	5.40	4.50
Rate of increase in salaries	n/a	n/a
Social Security increases	n/a	n/a
Rate of pension increase in payment*	0.00-3.06	0.00 – 3.06
Rate of increase in price inflation		
RPI**	3.25	3.25
CPI**	2.75	2.75
Mortality table	SAPS S3 mortality table CMI 2023 model (with smoothing and Covid experience adjustments) with trend of 1.50% per annum	SAPS S3 mortality table CMI 2022 model (with smoothing and Covid experience adjustments) with trend of 1.50% per annum

* post 1988 Guaranteed Minimum Pensions (GMP) = 2.27%; pre 1997 excess = 0.00%; April 1997 to April 2005 = 3.06%; post April 2005 = 2.05%

** RPI = Retail Price Inflation; CPI = Consumer Price Inflation

The table below shows the value of IAS19 liabilities and assets as at 31 December 2024.

IAS19 Defined Benefit Obligation and Market Value of Assets	2024 (£m)	2023 (£m)
Present value of Plan liabilities	807.1*	891.3*
Market value of assets**	836.1*	876.0*
Surplus / (Deficit)	29.0	(15.3)
Sensitivity analysis - 2024 Defined Benefit Obligation		
Discount rate assumption being 1% higher	736.9*	
Discount rate assumption being 1% lower	891.1*	

* Includes £52m of Additional Voluntary Contributions (AVC's) (2023: £55m)

** There are no self-invested assets in the UK Plan

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) For the year ended 31 December 2024

15. PENSIONS (Continued)

Key assumptions and valuation results (continued)

As a result of the 2018 and 2021 UK court rulings requiring the equalisation of Guaranteed Minimum Pensions (GMP) in UK pension schemes including historic transfer values, the UK Plan liabilities include an allowance for GMP equalisation.

The UK Plan's major asset categories are shown in the table below:

Asset Allocation as at 31 December		
	2024	2023
	£m	£m
Domestic equities	5.8	12.5
Foreign equities	113.3	181.5
Government bonds*	360.2	304.4
Corporate bonds	29.3	32.6
Buy-in contract	145.8	165.3
Additional voluntary contributions	51.9	54.8
Cash and cash equivalents	34.7	31.8
Other	95.1	93.1
Total	836.1	876.0

*Includes Liability Driven Portfolio

There was a special event in 2017 for the UK Plan involving a pensioner buy-in transaction to partially insure the UK pensioner liabilities. The value of the buy-in contract is £145.8m and has been included within the allocation above. The assets under the "Other" category represent amounts mainly invested in diversified funds and include investments in hedge funds which make use of different investment styles including the use of derivatives.

All securities invested by the UK Plan have a quoted market price in an active market (with the exception of £154.9m mainly attributable to the pensioner buy-in contract).

The assets and liabilities shown above include defined contribution assets and liabilities from AVCs as at 31 December 2024.

Contributions

The employer contributions to the UK Plan during the calendar years 2024 and 2023 and the expected contributions for 2025 are summarised in the table below.

	2025 Expected Contributions	Actual 2024 Contributions	Actual 2023 Contributions
	(£m)	(£m)*	(£m)*
Contributions	14.6	21.5*	21.5*

* In addition during 2024, the employer contributed £58.3m (2023: £54.4m) (including salary sacrifice contributions) to the defined contribution Stakeholder Plan in the UK. The Company contributed £5.0m (2023: £4.7m) of this amount.

American Express Group Services Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued) **For the year ended 31 December 2024**

16. RELATED PARTY TRANSACTIONS

The Company had no transactions with Directors or Key Management Personnel during the year ended 31 December 2024 (2023: nil) except for the transactions relating to Directors emoluments disclosed in Note 5.

17. EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events that have occurred since the Balance Sheet date that affect the financial statements of the Company.

Independent auditors' report to the members of American Express Group Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, American Express Group Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2024; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Making enquiries with management and those charged with governance, including review of minutes of meetings in so far as they related to the financial statements and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;
- Identifying and testing journal entries using risk-based criteria;
- Challenging assumptions and judgements made by management in their accounting estimates, in particular in relation to the pensions disclosure; and
- Testing of the financial statement disclosures.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not,

in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Yulia Vasyura

Yulia Vasyura (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
9 July 2025