American Express Services Europe Limited

Registered number 01833139

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

American Express Services Europe Limited

Report and Financial Statements for the year ended 31 December 2025

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Officers & Advisors

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H Lewis – Chairperson
J Huson – Chief Financial Officer
A Aggarwal
C Bouvet
L Fenwick
R Sharma
C Taylor

SECRETARY

G Gill

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Directors' Report for the year ended 31 December 2025

The Directors present their Directors' Report and the audited financial statements of American Express Services Europe Limited ("the Company" or "AESEL") for the year ended 31 December 2025.

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 Holdings Limited. The ultimate parent and controlling entity is American Express Company, incorporated in the United States of America.

The principal activity of the Company is the provision of financial services in relation to payment services.

The Company is engaged in the issuing of a wide range of charge cards and revolving credit cards, providing products and services to consumer and corporate clients. The Company also offers a range of rewards schemes, including those which award customers who hold the Company's cards ("Cardmembers") cashback or points based on the amount they spend.

The majority of customer servicing related to the issued cards is provided by the Company through its own organisation. At the reporting date the Company has two branches ("AESEL Italy" and "AESEL Germany"). AESEL Italy generates revenue through the servicing of American Express Italia s.r.l ("AEI"), and AESEL Germany services certain employee-related obligations.

The Company also provides other services to companies within the Group including technology, operational support and strategic services, as well as Cardmember servicing.

Supervision and Regulation
The Company is authorised and regulated by the Financial Conduct Authority ("FCA") as an authorised payment institution under the Payment Services Regulations 2017 ("PSRs"). The Company uses this authorisation to perform regulated payment services in the UK. The Company is also authorised by the FCA to perform regulated consumer credit and insurance mediation activities. The Company uses its Consumer Credit permission to offer consumer credit to UK Cardmembers.

The financial services industry in the UK, including the Company, is subject to rigorous scrutiny, high regulatory expectations, and a range of regulations. The regulatory landscape continues to evolve at pace, with several reform packages ongoing including FCA proposals to support the Government's reforms for growth.

In addition to the FCA, the Company's activities are subject to regulation and supervision by the Payments Systems Regulator ("PSR") and the Information Commissioner's Office ("ICO"). Subject to parliamentary timetables, the PSR is in the process of merging with the FCA. Regulators have focused, and we believe will continue to focus, considerable attention on reviewing compliance by financial services firms with laws and regulations, and as a result, we continually work to evolve and improve our risk management framework, governance structures, practices and procedures.

Reviews to assess compliance with laws and regulations by regulators, as well as our own internal reviews, have resulted in, and are likely to continue to result in, changes to our products, practices and procedures, restitution to our customers and increased costs related to regulatory oversight, supervision and examination.

Key Regulations and Developments

Payments Regulation
In 2015, the EU adopted legislation in two parts, covering a wide range of topics across the payments industry. The first part was an EU-wide regulation on interchange fees (the Interchange Fee Regulation); and the second consisted of the Revised Payment Services Directive (the "PSD2"). The Group engages with the regulatory authorities responsible for overseeing and enforcing this legislation in the UK, the FCA and the PSR, as required.

The PSD2 makes revisions to the original Payment Services Directive adopted in 2007 ("PSD") and prescribes common rules across the EU for licensing and supervision of payment service providers. It also contains regulatory requirements on strong customer authentication, open access to customer data and payment capabilities, and measures to prevent security incidents. The Company and the Group comply with the legislation, which was transposed into the UK legislative framework by the Payment Services Regulations 2017. The Payment Services Regulations 2017 ("PSRs") are currently under review by HM Treasury and the FCA to simplify the current dual regime governing fair access.

Directors' Report for the year ended 31 December 2025 (continued)

Key Regulations and Developments (continued)

Consumer Credit and Protection
The Company's consumer credit activities are subject to regulation and supervision by the FCA, with the regulator increasing focus on customer outcomes rather than just ensuring compliance with the rules and regulations. The Consumer Duty came into force on 31 July 2023 for new and existing products or services that are open to sale and renewal. The Duty introduced a new "Principle" to the handbook, further raising standards in how firms assess and evidence that they are acting to deliver good outcomes for retail customers – throughout the lifecycle of the product. In particular, the Duty focuses on four outcomes: (i) Consumer Understanding; (ii) Products & Services; (iii) Customer Support; and (iv) Price & Value.

The Consumer Duty remains a central regulatory priority for the FCA under its 2025–2030 Strategy. During this period and beyond, the regulator is expected to simplify existing regulation and increase its reliance on the Duty.

Anti-Money Laundering, Countering the Financing of Terrorism and Economic Sanctions
The Company is subject to regulation and supervision with respect to compliance with anti-money laundering ("AML"), countering financing of terrorism ("CFT"), and economic sanctions. Among other things, these laws and regulations require the Company to establish AML / CFT programmes that meet certain standards, including, in some instances, expanded reporting, particularly in the area of suspicious transactions, and enhanced information gathering and record keeping requirements.

Senior Managers and Certification Regime ("SMCR")
In December 2019, the FCA extended the SMCR to all financial services firms that are regulated solely by the FCA and authorised under the Financial Services and Markets Act 2000, including the Company. The legislative and regulatory frameworks for SMCR continue to be reviewed and uplifted by HM Treasury, the FCA and the Prudential Regulation Authority ("PRA"). As part of this, the FCA has amended its Code of Conduct ("COCON") rules to explain how Non-Financial Misconduct, such as bullying, harassment, and violence, can breach conduct rules. The amendments come into force in September 2026. The Company is reviewing and implementing the guidance.

Operational Resilience
Rules relating to Operational Resilience came into force in March 2022 requiring the Company to (i) to identify its Important Business Services ("IBS"); (ii) set impact tolerances for the IBS; (iii) perform mapping and testing; (iv) conduct lessons learned exercises; (v) develop communication plans; and (vi) prepare annual self-assessment documentation. The Company continues to review its thresholds, ensuring they are appropriate for the size and nature of its business.

Climate-Related Financial Disclosures
In January 2022 the UK announced new requirements for a range of entities to prepare annual climate-related financial disclosures in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations. The requirement is applicable to large private companies, such as the Company, and applies to accounting periods beginning on or after 6 April 2022.

The Company implemented procedures to gather the information and data needed to facilitate clear and accurate climate-related financial disclosures and included TCFD-aligned climate-related financial disclosures for the first time in its 2023 financial statements. The 2025 disclosures are included in the Non-Financial and Sustainability Information Statement, within the Strategic Report of these financial statements.

Safeguarding
The Company has, and continues, to be subject to the UK's Safeguarding requirements under the PSRs. In response to the HM Treasury's PSRs review, the FCA has introduced specific safeguarding rules under its Client Money and Assets requirements. To date, 'Interim rules' have been finalised with an implementation date of 7 May 2026. The Company ran a formal project to uplift AESEL's processes to meet these interim rules and awaits further communications on 'end-state rules'.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The Group is a globally integrated payments organisation that provides customers with access to products, insights and experiences that enrich lives and build business success. American Express' purpose, values and strategies are determined at a global level prior to being communicated to, and implemented in, local jurisdictions. Given the global nature and complexity of the Group's business operations, the Group has implemented a matrix organisational structure. This is composed of an extensive global network of legal entities from which it conducts its activities. The Company sits within this structure and is primarily responsible for the Group's card issuing activities in the UK, in addition to providing operational services to other legal entities within the Group. It is the responsibility of the AESEL Board ("the Board") to implement policies, principles and strategies in a manner that aligns with those set at the global level, while taking into account local legislation, operational requirements and opportunities, thereby contributing to a cohesive approach across the organisation.

The Board recognises the importance of good corporate governance and rigorous supervision of the management of the Company to ensure that business operations are conducted competently, with integrity and due regard to the interests of all stakeholders. Consequently, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company applies the Wates Corporate Governance Principles for Large Private Limited Companies (published by the Financial Reporting Council ("FRC") in December 2018 and available on the FRC website). Details of the Company's corporate governance arrangements are set out below.

Purpose and leadership
American Express strives to provide the world's best customer experience every day and to become essential to customers by providing differentiated products and services to help them achieve their aspirations. The Board is responsible for overseeing the Company's strategy, decisions, processes and culture in a manner that aligns with the Group's global approach, which provides for the long-term sustainability of both the Company and the Group's business. To this end, the Board hold regular meetings with key stakeholders across the Company's departmental groups to ensure that proper oversight and control of the Company's business is maintained and to provide constructive challenge.

This enables the Company's business and wider Group organisation to pursue opportunities in a manner consistent with American Express' principles. American Express' vision and strategies, while initially set at the global level, are designed to take account of the specific circumstances of different jurisdictions. The strategy for the UK is determined by UK management and reviewed by the Board, and is regularly communicated across the UK organisation in various formats such as internal announcements by senior leaders, many of whom sit on the Board, and/or regular leadership presentations ("town halls") that outline the progress of, and developments within, the UK business.

In addition, the Chairperson of the Board is also the UK Country Manager and regularly communicates to the UK organisation on various matters. The UK Country Manager has responsibility for the UK market, ensuring collaboration across multiple UK lines of business in support of the Group's strategic objectives and initiatives. The brand and attributes – trust, security and service – of American Express are key assets and the Group's continued success depends on its ability to preserve, grow and leverage the values of the brand. American Express' ability to attract and retain customers is highly dependent upon the external perceptions of the organisation, including its trustworthiness, business practices and workplace culture.

The Group invests heavily in managing, marketing, promoting and protecting the brand, with the Company and the Board specifically focusing on developing and enhancing the brand in the UK. The Board, being comprised of senior UK based representatives from each line of business and other critical functions, is well placed to provide the necessary leadership, input and challenge required to manage, market, promote and protect the brand. The Board also seeks out the advice of relevant subject matter experts (both internal and external) where necessary. The Board is also able to ensure that a high level of accountability across the business is maintained so that product offerings and services are consistent with American Express' brand and values. While not legal entity specific, the Company also benefits from American Express internal policies which provide for effective procedures in cases of misconduct, anti-corruption, conflicts of interests, whistleblowing and more. American Express' culture and internal policies align with the overall purpose, strategy and brand of American Express where the Group holds itself to the highest standards of business ethics and integrity.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (continued)

Board composition
At the date of signing these financial statements, the Board is comprised of seven executive directors. The Board is chaired by the UK Country Manager, H Lewis, who plays an important role in promoting open debate and constructive discussion. The Chair of the Board works closely with the Company Secretary to set the agenda for Board meetings and to ensure that the Board receives accurate information in a clear and timely manner necessary for the Board to make informed decisions. The Chair also provides the leadership, guidance and challenge required for the Board, and individual directors, to remain effective in the task of setting and implementing the Company's direction and strategies.

The Company's business activities comprise multiple lines of business in a complex and regulated industry. Consequently, it is essential that the Board possesses the necessary collective knowledge, experience and skills to operate effectively. As such, the Board is comprised of senior UK based representatives from each line of business and other critical functions thereby enabling increased levels of oversight and accountability at the board level. The Board, together with its advisors, possess significant experience in areas such as general management, finance, sales/marketing, risk management, operations, technology, law, and regulatory compliance necessary to provide effective oversight. The Board's composition is reviewed regularly to ensure that the Board maintains the correct balance of skills and experience necessary to function properly and keep abreast of developments in a dynamic business environment and aligned with the SMCR. The Board is also provided with training sessions where necessary to ensure they are equipped to fulfil their obligations towards the Company. Members of the Board are expected to act with integrity and independence while possessing the energy, forthrightness, analytical skills, and commitment to devote the necessary time and attention to the Company's affairs. Directors are also expected to possess a willingness to challenge senior management and the ability to work collaboratively in an environment of trust. The Chair regularly ensures that time is dedicated for Directors to discuss and provide constructive challenge to management on key decisions the Board is asked to make.

Directors' responsibilities
Effective governance is fundamental to the rigorous oversight of management and to ensuring that the Company conducts its business competently, with integrity and due regard to the interests of its stakeholders. The Company is authorised and regulated by the FCA in the UK. On account of being a consumer credit firm with an annual revenue of £100m or more, it is subject to the SMCR as an Enhanced Firm. The SMCR is part of the FCA's drive to improve culture, governance and accountability within financial services firms. It aims to deter misconduct by improving individual accountability and awareness of conduct issues across firms.

(i) Accountability
As such, each Director of the Company is considered a Senior Manager and has been allocated specific prescribed responsibilities and business activities linked to their role covered by a "Statement of Responsibility". All appointments to the Board are subject to FCA approval and Directors are required to agree to a Statement of Responsibility prior to being appointed to the Board. This means that Directors have a clear understanding of their roles and responsibilities prior to joining the Board, while ensuring that Directors take all reasonable steps in the furtherance of their duties and responsibilities on an ongoing basis.

In addition to the above, all American Express colleagues, including all Board directors, are subject to the American Express Code of Conduct ("the Code"). The Code is intended to focus on areas of potential conflicts of interest and other ethical issues, provide mechanisms to report potential conflicts or unethical conduct and help to foster a culture of openness and accountability. All reporting of conflicts of interest by Directors is centrally managed by the Corporate Secretary's Office. Directors are required to review and renew their commitment to the Code annually.

The Directors are responsible for managing the Company's affairs and for ensuring that the operations of the Company, including those of its branches, 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.

(ii) Integrity of Information
The Board receives information on all areas deemed crucial to maintaining proper oversight and control of the Company's business on a regular and timely basis from a wide group of stakeholders. Such information includes, but is not limited to, reports from the Audit and Finance Committee, the Risk Management Committee ("RMC") (and during 2025 the Operational Risk Committee), Lines of Business, Compliance, Legal, Credit and Fraud Risk, Real Estate, Colleague Experience Group, Internal Audit, and Technology Risk & Information Security. Following the formation of the Board Risk Committee ("BRC"), the RMC reports to the BRC which then reports to the Board. To ensure the correct level of oversight and control over the business is maintained, the Board meets frequently throughout the course of the year.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (continued)

(ii) Integrity of Information (continued)
All information the Board receives is provided by subject matter experts who have the relevant qualifications, experience and skills necessary to ensure the integrity of the information while also advising on developments impacting the Company. The Board has, or has access to, the right level of subject matter expertise to validate the integrity of the information. The Company, and groups supporting the Company, are subject to regular comprehensive reviews undertaken by the Group's Internal Audit function which reports to the Board on its findings on a regular basis.

Committees
To assist the Directors in fulfilling their responsibilities, the Company maintains a governance framework and in 2025 the following committees ("the Committees") reported regularly to the Board:

- The Audit and Finance Committee;
- The Operational Risk Committee.

The committee structure has evolved in 2026 and going forward the following committees will report to the Board:

- The Audit and Finance Committee;
- The Board Risk Committee (supported by the Risk Management Committee, which replaces the Operational Risk Committee).

The Audit and Finance Committee focuses principally on the Company's financial accounting, internal controls and the integrity of its financial statements. It is chaired by the UK Market Controller and membership is made up of representatives from all relevant departments, including Tax, Treasury, Finance, and Controllership. Regulatory Compliance and the Internal Audit Group attend as permanent guests. The Audit and Finance Committee meets five times a year to monitor key issues and changes within the Committee's remit, make non-critical decisions and to conclude upon items and/or risks which should be raised for the Board's consideration.

The Board Risk Committee ("BRC") was created in March 2026 and reports directly to the Board. The Committee is responsible for assisting the Board in its oversight responsibilities relating to the Company's management of enterprise-wide risk and related matters. The committee is chaired by a senior executive independent of AESEL's business activities and meets regularly as set forth in the BRC Terms of Reference. The BRC's role is oversight; the Company's management is responsible for managing the Company's risks. The Risk Management Committee ("RMC") reports to the BRC. The BRC recommends the approval of the Risk Governance Framework, including the Risk Appetite Framework, risk management roles and responsibilities of the three lines of defense, and related risk policies. The BRC is also responsible for oversight of the Company's risk management processes and methodologies, and evaluation of the independence and authority of the Company's risk management function. The BRC will receive regular reports on the effectiveness of the Company's risk profile against its tolerances specified in the Risk Appetite Framework, and will review, approve, and monitor risk management actions for cases escalated to the Committee.

The RMC replaces the Operational Risk Committee ("ORC") and is responsible for managing risk-taking activities against the Company's risk appetite, as well as the governance and oversight of all material and emerging risks facing the Company. The RMC provides assessment, governance and escalation of AESEL risk exposures, to oversee risk mitigation and to review adherence to the relevant risk policies. The RMC has a direct escalation path to the BRC. The RMC is chaired by the Chief Risk Officer and meets regularly with representation across each of the Company's lines of business along with representatives from Compliance, Control Management, the Global Services Group, the Audit and Finance Committee, General Counsel's Organisation, Technologies, and Credit and Fraud Risk teams. Advisors from other key stakeholder groups such as Global Privacy, Compliance and Ethics, the Outsourcing Governance team, Global Security, and Colleague Engagement join as necessary.

The RMC is also responsible for ensuring that clear, effective and compliant processes are in place for managing third party and affiliate outsourcing arrangements.

In addition to the committees described above, the AESEL Executive Committee ("ExCo") and other forums (e.g. the Customer Outcome Forum) also support various aspects of the Company's governance. The ExCo, in particular, is responsible for overseeing key decisions across the UK businesses operated by the Company including strategic direction, new product launches, areas of financial and regulatory impact, and any potential reputational risks.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (continued)

Committees (continued)
In addition to a Risk Tolerance Statement, the Board has implemented an escalation framework to ensure the effective reporting of risks, issues and changes within the Company to relevant key internal and external stakeholders. Additionally, the Group has established clearly defined communication processes and protocols between its international legal entities (including the Company) and Enterprise-level committees to enable more timely, relevant communication between teams, providing greater clarity in change management, better decision-making and communication.

Key features of this framework include top down and bottom up communications protocols, with the top down communication protocol ensuring early engagement of international legal entities in relevant Enterprise-level and risk management initiatives, and the bottom up communication protocol ensuring the international legal entities can escalate local developments that could pose a material risk to the Enterprise.

Opportunity and risk
The Group follows a consistent approach to strategic decision making and risk management, with the Board overseeing the implementation of strategies for the future growth of the Company.

Due to the size of the Company's business, the Board have taken certain steps to streamline the decision-making process to increase the overall effectiveness of the Company's operations. Consequently, certain decision-making powers have been delegated to the Committees or senior management, and controls put in place to safeguard the Company and the interests of other key stakeholders.

The Company maintains a risk profile that would, at a minimum, withstand the stresses of a severe macroeconomic downturn, while at the same time meeting the Company's capital goals. The Company controls its risk profile through its risk management processes, with a system of limits, escalations, and other controls. The Company evaluates its risk capacity and its risk profile on an ongoing basis, and may adjust its risk strategies, its business or capital plan, or its risk limits.

The Company is subject to the requirements of final guidance issued by the FCA in its amended "Payment Services and Electronic Money – Our Approach" document in November 2021. This aims to improve prudential risk management and the safeguarding of customer funds. The Company remains subject to the requirement to undertake daily safeguarding of relevant funds and since 2021 has implemented the FCA's requirement to have the safeguarding process reviewed annually by a third party to ensure compliance. The reviews performed by the third party since 2021 have concluded that processes are in place to ensure customer funds are appropriately safeguarded. The Company has taken steps to ensure compliance with the FCA's Policy Statement "Changes to the safeguarding regime for payments and e-money firms" which came into effect on 7 May 2026.

As an authorised payment institution, the Company is required to maintain capital levels which exceed a prescribed level of minimum capital, as required by the Payment Services Regulations 2017. The Company has an FCA minimum capital requirement for the forthcoming year of £17.5m. Capital monitoring processes are in place to ensure the Company exceeds the minimum capital requirements at all times. The Company performs Company-level capital and liquidity stress testing for both base and severe scenarios, refreshed annually. The Company also maintains a Company-specific wind down plan, also refreshed annually.

Disclosures on future strategies and risk management as well as a business outlook, with a summary of risks and uncertainties are included within the Strategic Report.

The Company has a robust internal control framework with clear roles and responsibilities for escalation and remediation of risks. The Committees, as referenced earlier in this Statement of Corporate Governance Arrangements, each adhere to Terms of Reference to ensure appropriate escalations to the Board. 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.

As part of the Company's risk governance framework, the "three lines of defense" approach to risk management has been implemented.

The first line of defense is the primary owner of risk-taking and risk management. The first line includes colleagues who are responsible for generating revenue, providing operational support in the delivery of products and services to the Company's customers, or providing technology services for the execution of business activities. All members of the first line are responsible for appropriately assessing and managing all risks associated with their business activities, consistent with the Company's established risk appetite.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (continued)

Opportunity and Risk (continued)

The second line of defense supports the Board in defining the framework by which risk should be managed across the Company. It then implements the framework by enacting policies, standards and procedures and creating governance structures. Additionally, the second line provides independent review, challenge, monitoring and oversight of first line activities to enforce adherence to the risk framework and determine the action required if first line activities do not align with the framework.

The Internal Audit Group constitute the third line of defense and provide independent assurance by assessing the quality and effectiveness of the Company's processes and systems of internal control, risk management, and risk governance, compliance with applicable regulations, and the reliability and integrity of the Company's financial and operational information.

Remuneration

The executive compensation programme is designed to support the longevity and stability of American Express by driving long-term business outcomes, promoting strong governance practices and encouraging responsible risk-taking. This is achieved by linking individual pay with American Express' performance on a diverse set of measures as well as financial and strategic goals. All senior executives have a large portion of compensation that is variable and covers annual and multi-year performance periods. Long-Term Incentive Awards are designed to align executives' interests with the Group's long-term performance using performance-based equity awards in the form of Performance Restricted Stock Units and Stock Options. Further, the American Express Scorecard incentivises performance and includes key objectives in four categories: Shareholder, Customer, Colleague and Strategic.

To support strong oversight, the American Express Compensation and Benefits Committee approves performance goals across the categories and certifies performance outcomes.

Stakeholder relationships and engagement

The Company considers its primary stakeholders to be its customers, internal and external suppliers, co-brand partners and its workforce. The Company's engagement with, and consideration of, these stakeholders is detailed below.

(i) External Impacts

The Corporate Social Responsibility team works closely with the Global Real Estate, Global Risk & Compliance, Procurement and Technologies teams to identify, measure, manage and report on environmental risks, performance and opportunities. Further information is given in the TCFD-aligned climate-related financial disclosures included in the Non-Financial and Sustainability Information Statement within the Strategic Report, which also incorporates the Company's Streamlined Energy and Carbon Reporting.

(ii) Stakeholders

External suppliers are identified and managed in accordance with the Company's Third Party Lifecycle Management Policy. The Company's Global Supply Management organisation completes risk assessments on suppliers in its scope, and the type and level of risk identified assists in prioritising those relationships along with: (i) the applicable due diligence artefacts to be collected and evaluated; (ii) the frequency of any ongoing reviews; and (iii) any specific language to be included in the procurement contract (e.g. relating to data security). The Company has an outsourcing policy which is maintained and controlled by the Outsourcing Governance team which reports into the RMC.

Due to the matrix structure within American Express, other entities within the Group constitute a significant portion of the Company's suppliers. These relationships are governed by American Express' internal governance, policies and controls, with arm's length pricing and formal intercompany agreement documentation.

The Company has direct relationships with Cardmembers and businesses, actively working to engage with them through customer service, direct-to-customer channels, and social media. The Company believes that delivering products and services in a fair and transparent manner is critical to providing best-in-class customer service. As part of our fundamental commitment to meet customer credit needs, the Company is dedicated to engaging in customer practices that embody transparency, truthfulness, fairness, and a culture of non-discrimination throughout the credit lifecycle. The Company manages and mitigates customer practices risk through dedicated resources and ongoing monitoring, testing, and oversight. This also applies to third-party vendors and their subcontractors, also known as fourth-party vendors.

Directors' Report for the year ended 31 December 2025 (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS (continued)

Stakeholder relationships and engagement (continued)
(ii) Stakeholders (continued)
The Company's activities are subject to regulation and supervision by various regulatory authorities in the UK, most notably the FCA, PSR and ICO. Subject to parliamentary timetables, the PSR is in the process of merging with the FCA. When providing information to regulators, either through interactions, reporting or ad hoc requests, the Company looks to ensure consistency, integrity and transparency. Additionally, the Company may seek to engage with regulators pro-actively to facilitate dialogue on regulatory change, either by taking part in formal consultation processes or through less formal engagement such as ad-hoc relationship meetings. The Compliance organisation, with input from the Board, maintains a regular dialogue with the Company's various regulators throughout the year to keep them appraised of developments on existing matters under review or make them aware of new items as and when they arise.

(iii) Workforce
The American Express workforce within the UK, including, but not limited to, the Company's employees (or colleagues), is split among multiple UK based legal entities. The employing entity is typically determined based on the line of business or the department in which an individual colleague sits. Consequently, many of American Express' interactions with the workforce, being cross functional in nature, are dealt with at a centralised level (such as the UK Country Executive Team and the UK Crisis Management Team) rather than at the Company level. These centralised teams consist of senior leaders based in the UK, some of whom also sit on the Board of the Company.

Colleagues have access to a leader portal and email-based resources, which provide leaders and colleagues with the opportunity to seek advice and guidance on employment matters. Notwithstanding the above, certain decisions/actions which have the potential to impact a significant number of the Company's colleagues must first be approved by the Board.

Additionally, American Express has an Ethics Hotline, which provides colleagues and suppliers/vendors the opportunity to report concerns without fear of retaliation (i.e., confidentially and anonymously), as well as a UK Employee Forum, in which UK Employee Representatives meet at least twice annually with senior business leaders to discuss and provide feedback on business strategy, workforce management and financial results. Finally, UK employee policies are aligned to the Group's values and are reviewed regularly to ensure they are in line with statutory requirements and changes.

Further information on how American Express engages with its workforce is given in the Employee Engagement section of the Directors' Report.

RESULTS AND DIVIDENDS

The results for the year are set out on page 35 and show the total profit before taxation was £66.9m (2024: £73.2m). The profit for the financial year amounted to £47.1m (2024: £61.1m) which has been transferred to reserves. The Directors do not propose the payment of a dividend in 2025 (2024: £nil). Total Shareholders' funds at 31 December 2025 stood at £1,315.3m (2024: £1,265.3m). The Financial Performance section of the Strategic Report gives a more detailed review of the Company's performance indicators.

OPERATIONS OUTSIDE THE UK

The Company has branches in Germany and Italy ("AESEL Germany" and "AESEL Italy"). The Company also has directly owned subsidiaries in Spain, American Express de Espana S.A. ("AEDE") and American Express Europe S.A. ("AEESA") and a subsidiary in Italy, American Express Italia s.r.l ("AEI") (see Note 14 Investments).

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks. An overview of these risks is included in the Financial Risk Management section of the Strategic Report. Further details of how the risks are managed by the Company are provided in Note 4 Financial Risk Management.

FUTURE DEVELOPMENTS

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

Directors' Report for the year ended 31 December 2025 (continued)

DIRECTORS

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

H Lewis - Chairperson
D Bailey - Chief Financial Officer (resigned 28 November 2025)
J Huson - Chief Financial Officer (appointed 15 January 2026)
A Aggarwal
C Bouvet (appointed 1 December 2025)
L Fenwick
B Sawyers (resigned 29 January 2025)
R Sharma
C Taylor

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

As referenced in the Statement of Corporate Governance Arrangements, 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 American Express' workplace culture are the Blue Box Values, which are a set of guiding principles that serve as the foundation for how American Express, and the Company, operate and lead. The Company believes that maintaining the strong culture, adhering to the Blue Box Values and ensuring that colleagues feel respected, valued, recognized and backed helps attract, develop and engage the right talent for American Express' success.

The Company consults 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. Communication continues through regular internal communications, newsletters, and briefing groups. The Group conducts an annual Colleague Experience Survey for colleagues to share their feedback about the work environment and culture at American Express, which helps American Express better understand colleague sentiment across several aspects of their experience including leadership, engagement, work life, risk and controls, career development and well-being. In 2025, 91 percent of colleagues who participated in the survey said they would recommend American Express as a great place to work.

Holistic Well-Being
American Express also provides leading benefits and takes a holistic approach to well-being, providing resources that address the physical, financial and mental health of its colleagues. Colleagues' physical health and well-being is supported through the corporate wellness program, Healthy Living, which highlights the importance of preventive care, encourages healthy actions, and delivers practical and accessible resources that promote a healthy lifestyle.

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.

American Express also offers resources and support for colleagues' mental health through the Healthy Minds Program, which provides colleagues and their household members with access to free counseling and a personalized health concierge service, and aims to increase mental health awareness across American Express. American Express' financial well-being program, Smart Saving, provides tools and resources to help colleagues build their financial knowledge and skills for all life stages.

Directors' Report for the year ended 31 December 2025 (continued)

EMPLOYEE ENGAGEMENT STATEMENT (continued)

Career Growth & Development
American Express provides colleagues at all levels with access to a wide variety of resources to support their ongoing career growth and leadership development. There are opportunities for colleagues to learn on the job, build cross-functional skills and grow in their careers through a defined, collaborative process for performance management. Colleagues have access to a number of other resources, such as career coaching, mentoring, professional networking and rotation opportunities, as well as courses on-demand and with classroom-style instruction. To help support a culture of conduct and risk management, the Group also requires colleagues to undergo trainings on laws, regulations and policies applicable to them and American Express.

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 continues 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 8 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 (via the Committees) so that issues impacting the business and/or key stakeholders (including, but not limited to, the Company's suppliers and customers) are escalated to the Board for its consideration. This helps ensure that the Board has visibility to issues impacting the Company's key stakeholders and that such issues are dealt with and resolved in an effective, timely and appropriate manner. In addition, American Express has a number of policies in place which require that, prior to the Board taking decisions deemed critical to the Company, the impact on a wide group of stakeholders is identified and considered. This better enables the Board to make informed decisions while acting in the best interests of the Company and its key stakeholders.

As directors of a regulated entity, the Board must also adhere to the FCA's Conduct Rules which, in addition to acting with integrity, due skill, care and diligence, include an obligation to pay due regard to the interests of customers and treat them fairly.

The Company's principal decisions during the financial year ended 31 December 2025 were centred around its long-term strategy and the control environment. Specifically, the Board received regular updates from its key lines of business including International Card Services ("ICS") and the Global Services Group ("GSG") who outlined their priorities to the Board. To ensure that the Company remained competitive and was meeting its customers' needs, the Company renegotiated its deal with a key UK Cobrand partner and also introduced new iterations of its Platinum and Gold Products.

The Board also received updates in relation to fraud and credit risk in light of the changing economic landscape in the UK. The Board ensured they were kept apprised of regulatory developments in the UK and took steps to ensure they were prepared to be compliant with the requirements of the Economic Crime and Corporate Transparency Act 2023 by receiving updates in relation to the Failure to Prevent Fraud offence.

The Company continued to develop and refine its approach to the FCA Consumer Duty, ensuring that high and transparent standards of consumer protection were maintained.

Operational Resilience remained a key focus for the Board. The Board received regular updates to ensure that the Company remained within its established impact tolerances and continued to perform scenario testing in line with regulatory expectations. Throughout 2025, the Board maintained oversight of and reviewed the Company's governance structure and Risk Appetite Framework to ensure alignment with the Company's strategy and risk profile, implementing enhancements where necessary.

Directors' Report for the year ended 31 December 2025 (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 the Company policy to pay vendors 60 days after receipt of a correct, undisputed, timely provided and properly VAT due 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 2025 was 23 days (2024: 19 days).

Directors' Report for the year ended 31 December 2025 (continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Company made no charitable donations to advance the causes of charitable organisations (2024: £nil). Charitable donations are made by American Express Corporate Social Responsibility on behalf of the Group. No donations were made for political purposes (2024: £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 independent auditors under section 487(2) of the Companies Act 2006.

The Directors' Report and the financial statements on pages 35 to 97 were reviewed by the Board of Directors on 14 May 2026 and approved on the date specified below on its behalf by:

Signed by:	Signed by:
	Julia Huson
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H Lewis	J Huson
Chairperson	Chief Financial Officer

Date: 14 May 2026

Strategic Report for the year ended 31 December 2025

The Directors present their Strategic Report of American Express Services Europe Limited ("the Company") for the year ended 31 December 2025.

BUSINESS REVIEW

Objectives of the Company
The key objective of the Company is to generate payment business through its core activity of issuing American Express corporate and consumer cards, and providing payment services.

Business Strategy
To generate payment business the Company is focused on acquiring new customers, retaining existing ones, delivering high quality services and good customer outcomes, and incentivising spending through rewards and other benefits.

The core elements of the Company's strategy are:

- Attracting new customers;
- Maintaining a competitive, consistent and premium customer experience by ensuring value-added end-to-end service;
- Enhancing customer relationships through partnerships;
- Continuing to invest in incentives and benefits attached to card products, including the Membership Rewards programme;
- Attracting and retaining talented colleagues;
- Focusing on sustainable growth, while controlling costs and improving efficiency; and
- Maintaining a consistent focus on governance, control and conduct.

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

- Maintaining a values-led, inclusive culture that supports engagement, performance and effective risk management;
- Enhancing colleague engagement through structured feedback, communication and consultation mechanisms;
- Developing talent and future leaders through career growth, learning and cross-functional development opportunities;
- Promoting holistic well-being across physical, mental and financial health; and
- Delivering competitive, performance-aligned reward frameworks to attract, retain and motivate colleagues.

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, Cardmember billings, accounts receivable balances and associated credit indicators, movements in reserves for Cardmember losses, revenue, and expenses are reviewed. In addition, non-financial indicators such as cards in force are monitored.

Despite challenges in the macro-economic environment in 2025 the Company continued to see growth in billings across its UK consumer and commercial business. Total billings for the year to 31 December 2025 increased 13% on the year to 31 December 2024, driven by strong Cardmember acquisition and spending across both travel and entertainment, and goods and services related categories.

Cards in force as at 31 December 2025 increased 11% on the year to 31 December 2024. This trend reflects the focus on attracting and retaining high spending premium Cardmembers, continued efforts to sustain the quality of the Company's Cardmember base, and managed attrition of higher risk and dormant Cardmember accounts.

Strategic Report for the year ended 31 December 2025 (continued)

FINANCIAL PERFORMANCE (continued)

Turnover increased by 10% with the Company experiencing strong growth in several areas. Billing Credit Revenue (representing income earned by AESEL from other group companies for services provided to the American Express network) rose in line with higher billing volumes. Group Income also increased overall, mainly as a result of increased service charges to other group companies, including the Company's subsidiaries. Card Fees increased due to the high levels of Cardmember acquisition across fee paying products and the fee increases introduced on certain products. Revolve Interest Income increased due to an increase in revolving Cardmember balances.

Administrative expenses increased by 11%. These were incurred in relation to the Company's payment services business and in providing other services to companies within the Group. Expenses attributable to the card issuing business can be both variable and fixed in nature. The main drivers for the increase were increased Membership Rewards and Cobrand expenses; and other costs of providing Cardmember services. These increases were driven by growth in spend and enhancements to product value propositions, entitling Cardmembers to greater rewards, There was also an increase in Advertising and Promotion costs, driven by acquisition incentives.

Profit before taxation of £66.9m for the Company represents a decrease of £6.3m, compared to the prior year profit before taxation of £73.2m. While the business saw growth in billings and an increase in the associated revenues, this was offset by an increase in variable costs associated with Cardmember benefits and rewards, and reduction in interest income, resulting in an overall decrease in profit.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks. The Company places great significance on ensuring sound management of credit, liquidity, capital and market risk.

Details of the financial risks that the Company is exposed to, and how the Company manages those risks, are given in Note 4 Financial Risk Management.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES

The Company recognises the continued importance of climate-related considerations to its business. The third year TCFD-aligned climate-related financial disclosures have been produced in compliance with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, Sections 414C, 414A and 414CB of the Companies Act 2006. Advancements have been made in managing climate risks through the updated Climate Risk Management Standard, aligned with the new Enterprise Risk Governance Framework Policy, Enterprise Risk Taxonomy, and related governance updates, and in managing climate-related opportunities through dedicated personnel within the Benefits & Loyalty team.

These TCFD-aligned climate-related financial disclosures provide information for stakeholders about how the Company handles priority climate-related risks and opportunities and how these link to the wider Enterprise-level structures where applicable. Where reference is made to the Company's activities and processes this does not include activities conducted by its branches in Italy and Germany as these branches were deemed to be immaterial. In this disclosure, the use of the term "materiality" and other similar terms is intended to reflect the Company's priority sustainability issues. The Company is not using such terms as they are used under the securities or other laws of the United States or any jurisdiction, or as these terms are used in the context of financial statements and financial reporting.

American Express prioritises sustainability issues based on relative importance to the business and stakeholders and this prioritisation is updated periodically. Extracts of Enterprise-level disclosures are included where relevant, and a full version of the American Express 2024-2025 Sustainability Disclosure can be accessed through the link below. The Sustainability Disclosure 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/2025/11/21/AXP_2024-2025_Sustainability-Disclosure.pdf

These TCFD-aligned climate-related financial disclosures include forward-looking statements, which are subject to risks and uncertainties. The forward-looking statements, including the Enterprise's science-based targets and other sustainability goals, contain words such as "believe," "expect," "intend," "plan," "aim," "strive," "goal," "target," "will," "may," "should," "could," "would,", "likely," "potential," "commit," "continue," "opportunities," or other similar expressions. Actual results may differ from those set forth in the forward-looking statements due to a variety of factors, including those set forth in the American Express 2024-2025 Sustainability Disclosure, the Group's Annual Report on Form 10-K for the year ended 31 December 2025 and other Group filings with the U.S. Securities and Exchange Commission available at ir.americanexpress.com. Users of the TCFD-aligned climate-related financial disclosures included within these financial statements are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. American Express undertakes no obligation to update or revise any forward-looking statements and statements regarding American Express' future direction and intent are subject to change or withdrawal without notice.

Note that many of the standards and metrics used in preparing this disclosure continue to evolve and are based on management assumptions and information known to management at the time of preparation. In addition, historical, current and forward-looking sustainability-related statements, including those related to American Express' science-based targets, may be based on standards that are still developing, internal controls and processes that continue to evolve and assumptions, metrics, calculations, targets, and baselines that are subject to change in the future. The information and opinions contained in this disclosure are provided as of the date of this disclosure and are subject to change without notice. Third-party validation of science-based targets does not guarantee that targets will be achieved or that validation will be maintained. Amounts presented are approximate unless otherwise indicated.

As at 31 December 2025, the Company considered its present financial exposure to climate-related risk to be low, as assessed under the Enterprise Risk Management (ERM) framework, and accordingly no references to the impacts of climate-related risks or opportunities are included in the notes to these financial statements.

Strategic Report for the year ended 31 December 2025 (continued)

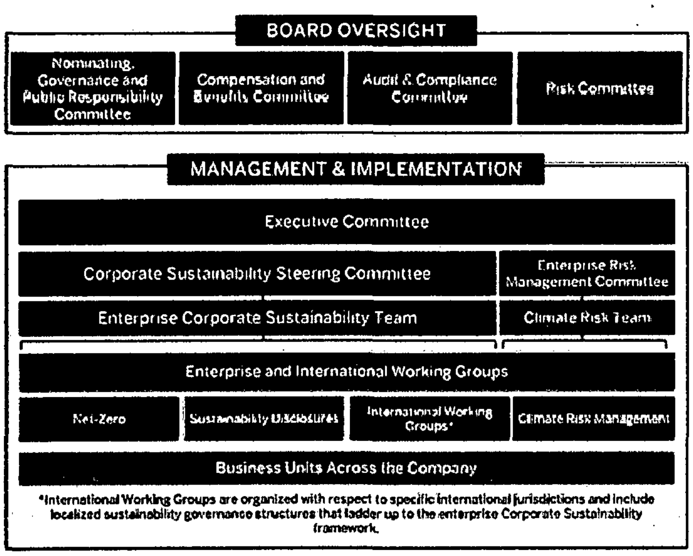
NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

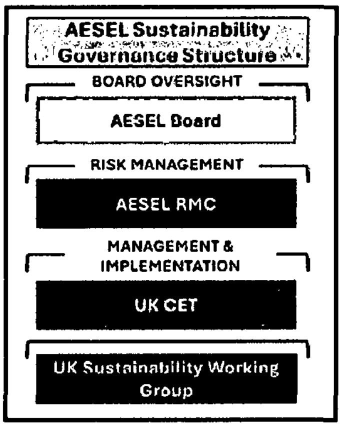
1. Governance

American Express operates a local and Enterprise-wide governance operating model. The operating structure has been established to enable the American Express Board of Directors (the "AXP Board") and the Company Board to make decisions, manage risks and provide appropriate oversight of climate-related risks and opportunities. At the Enterprise level, American Express' Corporate Sustainability Governance Framework defines how sustainability is overseen and managed across the company, integrating Board-level oversight, executive leadership, and cross-functional working groups. American Express also has a Corporate Sustainability Steering Committee, chaired by the Enterprise Chief Corporate Affairs Officer, that includes senior executives from across the organisation with UK representation from the UK Country Manager. The Steering Committee guides the Corporate Sustainability strategy, related policies and programs and is supported by cross-functional enterprise and International Working Groups, including in the UK. Further details on key governance elements for the year ended 31 December 2025 are given below. Members and Directors within key governance bodies possess a range of skills, backgrounds, experience, and viewpoints that American Express believes are integral to an effective and well-functioning governance structure.

Table 1: Governance Overview

Corporate Sustainability Governance Framework





Board Oversight

<u>Company Board Oversight</u>

The Company Board (the "Board") has oversight of UK climate risk, supported by relevant committees, including the Company's Risk Management Committee ("RMC") which is chaired by the UK Market Chief Compliance Officer[1]. The Board provides strategic direction to the UK business and ensures the required oversight, escalation routes and connectivity with the American Express Enterprise Board. The RMC discuss climate related issues at least bi-annually to provide oversight of the identification and measurement of risks to which the Company is exposed, including operational and climate-related risks. The Board Members received a presentation in March 2025 focused on TCFD reporting and its applicability to the business, facilitated by an external professional services firm.

[1]The governance information provided reflects the structure in place as at 31 December 2025. The committee structure was subsequently refreshed in 2026. See the Statement of Corporate Governance Arrangements within these financial statements for more information.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

1. Governance (continued)

American Express Board Oversight

At the Enterprise Level, the American Express Board of Directors (the "AXP Board") monitors the "tone at the top" and risk culture, and is responsible for overseeing risks, including climate-related risks. Members of the Enterprise management team also regularly report to the AXP Board and its committees to discuss short-term, medium-term, and long-term risks, including climate-related risk.

Management & Implementation

UK Sustainability Working Group

The UK Sustainability Working Group is a cross-functional working group that supports the UK Country Executive Team in progressing on its ongoing commitment to sustainability-related matters relevant to the UK business and managing climate-related risks and opportunities. It meets at least quarterly, with the following aims:

- Promote effective sustainability governance;
- Provide input on the UK sustainability approach in alignment with the Enterprise;
- Review sustainability data/reporting;
- Support implementation throughout key business functions/units where applicable; and
- Monitor internal and external sustainability trends.

A representative from the Enterprise Corporate Sustainability team co-chairs the UK Sustainability Working Group alongside the Vice President, UK Products, Lending and Enablement who directly reports to the UK's Country Manager to further enhance the link between the UK and Enterprise on sustainability matters, including climate risk.

There are a number of additional governance bodies for the management and implementation of climate-related matters at the Enterprise-level, including the Enterprise Risk Management Committee, Enterprise Corporate Sustainability Team, Enterprise Climate Risk Team and Enterprise Climate Risk Management Working Group as shown in Table 1, with further details available in the 2024-2025 American Express Task Force on Climate-Related Financial Disclosures ("TCFD") Index that can be accessed through the link below. For details on the oversight, identification, assessment and management of climate-related opportunities, please see the relevant section below.

https://s26.q4cdn.com/747928648/files/doc_downloads/ESG/reporting-resources/2025/12/AXP_2024-2025_TCFD-Index.pdf

Climate Risk Training

In accordance with the TCFD-aligned requirements in the UK, the Company recognises the importance of comprehensive climate risk training which consists of distinct modules to build a strong understanding of sustainability principles and climate risk management.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

2. Strategy

American Express has completed the environmental, social and governance goals under its previous 2021-2024 ESG strategy. In 2025, American Express updated the Enterprise's sustainability strategy in collaboration with stakeholders across the company to reflect alignment with its business priorities, stakeholder expectations, and the evolving sustainability regulatory reporting landscape. This was informed by an assessment of sustainability topics based on both American Express' impacts to society and the environment and the potential impacts to American Express. This assessment was performed at the Enterprise level and includes perspectives from UK colleagues through the representation of the UK Country Manager in the Corporate Sustainability Steering Committee. American Express' sustainability strategy is anchored in five focus areas – Customers, Communities, Colleagues, Climate, and Conduct & Values – and nine priority sustainability topics that are aligned with American Express' business objectives.

Net-Zero

As part of the Climate focus area, American Express has committed to net-zero greenhouse gas emissions by 2050. American Express' net-zero target, consisting of its near-term and long-term emissions reduction targets, and its partner engagement target were validated by the Science Based Targets initiative (SBTi) in 2024.[1]

To support and make progress towards American Express' science-based targets, American Express has implemented a range of initiatives to reduce emissions across both the Enterprise's operations and value chain, including in the UK. This includes decarbonisation activities at American Express' UK offices in London, Burgess Hill, and Brighton and the data centre in Brighton.

American Express completed decarbonisation audits and energy audits across the UK offices in 2023 and 2024. Complementing this, a Climate Change Risk Assessment was completed for the Sussex House office in 2024. As a result of the audit findings, emission reduction measures were implemented in 2025 across the 1 John Street and Sussex House offices, including enhanced boiler controls to reduce Scope 1 emissions and Heating, Ventilation and Air Conditioning ("HVAC") and IT cooling upgrades to lower Scope 2 emissions. Furthermore, American Express' UK offices participate in green tariff programmes, and its 1 John Street office generates a portion of its electricity on-site through solar power.

For more information on American Express' SBTi validated targets, please see the full version of the American Express 2024-2025 Sustainability Disclosure which can be accessed through the link below.

https://s26.q4cdn.com/747928648/files/doc_downloads/2025/11/21/AXP_2024-2025_Sustainability-Disclosure.pdf

[1] The emissions included in American Express SBTi-validated targets are determined in accordance with the SBTi's minimum target boundaries as provided in their Corporate Net-Zero Standard, which generally cover 95% of Scope 1 and 2 emissions for both near- and long-term targets, and 67% and 90% of Scope 3 emissions for near- and long-term targets, respectively. Scope 3 emissions reflected in American Express' net-zero and Scope 3 emissions reductions targets include those emissions from purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, employee business travel, employee commuting, and investments. Emissions related to goods or services provided by third parties in connection with the Membership Rewards® program and cobrand cards are addressed separately through American Express' near-term partner engagement target rather than as part of its net-zero and Scope 3 emissions reduction targets. American Express' near-term partner engagement target reflects emissions that are outside of SBTi's minimum boundary for Scope 3, Category 1 emissions. Emissions with partners that are included within SBTi's minimum boundary for Scope 3, Category 1, are included in its net-zero and Scope 3 emissions reduction targets.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

3. Risk Management

At American Express, climate-related risks and opportunities are included in the Enterprise Risk Management ("ERM") framework and managed as part of the ERM Process. Climate Risk is a strategic risk in the ERM framework. The Enterprise Risk Management Committee ("ERMC"), co-chaired by American Express' Chief Executive Officer and Chief Risk Officer, is the highest-level management committee to oversee all firm-wide risks, including climate-related risks, and is responsible for risk governance, risk oversight, and risk appetite. The Climate Risk Team and Climate Risk Management Working Group identify, assess, and monitor climate risks across the Enterprise, with the UK Sustainability Working Group providing support on climate-related initiatives and risks. The Climate Risk Team conducts analysis to measure climate-related physical and transition risks and opportunities.

American Express has a Climate Risk Management Standard in place, which provides an Enterprise-wide framework to identify, assess, measure, manage and monitor climate risks across the business, operations, and activities of the Enterprise.

Additionally, the Business Continuity Management programme addresses the recovery of key business operations and supporting technology in the event of an unplanned disruption, including climate-related matters. The program includes risk assessments, continuity planning, and validation exercises.

3a. Climate Risk: identification and assessment
American Express has conducted analyses to identify current and potential climate-related physical and transition risks and opportunities in its operations, facilities, supply chain, and business activities across short-term (0-5 years), medium-term (5-10 years), and long-term (10+ years) horizons.

Climate-related risks are defined as:

- Transition risks: Risks related to the transition to a low-carbon economy, including changes in consumer preferences, travel patterns, and legal requirements.

- Physical risks: Risks related to climate, including rising average global temperatures, rising sea levels, and the increase in frequency and severity of extreme weather events and natural disasters.

American Express' strategy and financial planning have considered climate-related physical and transition risks over the short-, medium-, and long-term, including those associated with emerging regulations and acute and chronic physical risks. The UK business continues to monitor and enhance its focus on climate-related risks.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

3. Risk Management (continued)

The potential climate-related risks that have been identified are covered in the table below.

Risk	Description	Process for Identifying, Assessing and Managing	Horizon
Transition Risks (Regulatory & Legal)	American Express may be subject to increasing legal and regulatory requirements related to corporate sustainability topics or disclosures. Non-compliance may result in the business being subject to fines and other regulatory and legal consequences.	The regulatory change management monitoring programme ("RCM") identifies, records and communicates relevant new or changing laws, policies and regulations, including those relating to environmental matters, GHG emissions and climate risk. In the UK, the General Counsel's Organisation and the Chief Compliance Officer for the Company are responsible for advising on regulatory and legal risk including established and emerging regulations related to climate risk.	Short-, medium- and long- term
Transition Risk (Reputational)	American Express' business includes significant travel benefits and travel-related cobrands, which may attract public scrutiny and adversely impact the business if consumer travel preferences change. American Express may also experience reputational harm as a result of negative public sentiment, regulatory scrutiny and reduced stakeholder confidence, due to the Enterprise's response or perceived lack of response to climate and environmental issues.	The ERM programme evaluates the risks posed by exposure to certain industries, which includes airline partners. The General Counsel's Organisation and Corporate Affairs and Communications support all business lines and the RMC in making informed reputational risk management decisions.	Short-, medium- and long- term
Transition Risk (Market)	American Express may face risks related to the transition to a low-carbon economy, such as changes in consumer preferences, travel patterns and legal requirements, which could impact the Enterprise's revenues or expenses or otherwise adversely affect the Enterprises' businesses, customers and partners.	American Express' corporate and consumer business groups consider the risks associated with market demand. American Express also continues to assess climate-related opportunities across its operations and value chain, including offering a variety of customer tools designed to support sustainable practices.	Short- and medium- term

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

3. Risk Management (continued)

Risk	Description	Process for Identifying, Assessing and Managing	Horizon
Transition Risk (Technology)	Trends to invest in new technologies focused on energy efficiency can help reduce emissions and mitigate risks associated with business interruption from natural disasters. Many of these investments are costly and uncertain, exposing American Express to risk if these technologies fail or are unsuccessful.	The Enterprise Technology team manages and evaluates these risks, which are integrated within the relevant risk management and due diligence processes. American Express continues to implement energy efficiency initiatives as detailed in the Streamlined Energy and Carbon Reporting within these financial statements and prior to implementing, the UK team considers the costs and risks associated with these opportunities.	Short-, medium- and long- term
Physical Risk (Acute and Chronic)	American Express may face physical risks related to climate, including an increase in frequency and severity of extreme weather events and natural disasters. Such events and disasters could disrupt American Express' operations or the operations of customers or third parties on which we rely.	The Enterprise Climate Risk Management team, in collaboration with the Global Real Estate & Workplace Experience ("GREWE") team, conduct assessments to identify and quantify losses from physical climate risk events faced by American Express facilities. Additionally, the Enterprise Business Continuity Management programme addresses the recovery of key business operations and supporting technology in the event of an unplanned disruption.	Short-, medium- and long- term

In 2024, American Express evaluated the impact of potential physical risks related to its business under multiple climate-related scenarios.The quantitative physical risk assessments for facilities and Consumer and Small Business Services portfolios in the UK evaluated potential physical risk impact on the Company under multiple climate-related scenarios, including a 2°C or lower pathway consistent with the Intergovernmental Panel on Climate Change ("IPCC") Representative Concentration Pathway ("RCP") 2.6, as well as intermediate (RCP 4.5, ~2–3°C) and high-emission (RCP 8.5, ~4–5°C) scenarios. Further information on past assessments undertaken is available in the 2024 Non-Financial and Sustainability Information Statement within the Company's 2024 financial statements and the American Express 2024-2025 Sustainability Disclosure.

3b. Climate Opportunities: identification and assessment

American Express continues to assess climate-related opportunities across its operations and value chain, including powering its operations with renewable energy, optimizing the energy efficiency of its offices and data centres, pursuing sustainable building and transportation practices, maintaining CarbonNeutral certified operations, expanding recycled or reclaimed plastic cards globally, and offering customer tools to support sustainable practices. The Company also continues to identify and explore relevant opportunities in the UK.

Oversight of climate-related opportunities in the UK is provided by the Enterprise Corporate Sustainability Steering Committee, the UK Sustainability Working Group, and the Benefits & Loyalty team within UK Card Services.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

Managing Value Chain GHG Emissions

Suppliers
The Enterprise engages with suppliers to reduce emissions within their businesses and the services they provide to American Express. These efforts leverage supplier data reporting, engagement, and procurement policies. Additionally, the American Express Supplier Code of Conduct outlines the expectations that American Express has for its suppliers and consists of the following areas of focus: Compliance with the Supplier Code of Conduct, Business Practices and Ethics, Environmental Sustainability, and Reporting Concerns.

Business Travel
American Express implements initiatives to address emissions associated with colleague business travel. American Express uses software, which is accessible to UK colleagues, to help encourage colleagues to select sustainable travel options, including sustainable travel tips, highlighting sustainable hotel and air travel options, and offering EV car rentals in selected locations. The Enterprise also strives to offset the emissions associated with third-party air, rail, rental car usage, and hotel stays for its colleagues' business travel.

Employee Commuting
To address Scope 3 emissions associated with employee commuting, the Company offers a car pooling platform for colleagues at the Sussex House office and the 1 John Street office, to facilitate shared travel to and from the workplace. The Company also offers a Park and Ride service that enables colleagues to take a private shuttle bus to the 1 John Street office. In addition, there are eight EV chargers available at the Sussex House office in Burgess Hill.

Recycled plastic cards

American Express has been working to reduce consumption of virgin plastic, beginning in 2019 with the introduction of the first American Express card manufactured from 70% reclaimed plastic collected from beaches and coastal communities. In 2025, approximately 99.99% of the total plastic cards issued by the Company in the UK have been made from recycled or reclaimed plastic. As the Company continues to reduce consumption of virgin plastic, it also recognises the increasing adoption of digital payments and has provided a Digital Card feature in the UK to a small pilot group in 2025.

Customer Tools to Support Sustainable Practices

American Express offers a variety of customer tools and initiatives to support sustainable practices including:

- **Rewards with Certified B Corporations™ in the UK:** In the UK, the Company helped Card Members "Shop with Purpose" with targeted offers. To celebrate Earth Day 2025, the Company had a selection of offers available for two months, from April through to June, to eligible UK Consumer and Small Business Card Members. These offers rewarded spending on eligible purchases from fourteen selected Certified B Corporations™, which meet third-party standards for environmental and social performance and transparency.

- **Membership rewards®:** In light of the UK Government's commitment to reach net-zero by 2050, the Company acknowledges potential customer interest in ways to help manage their carbon footprint, alongside individual choices. The Membership Rewards® ("MR") loyalty currency, used across many of the products, provides Card Members with a range of redemption options. In 2025, the Company continued to highlight to Card Members that they can use Membership Rewards® points to support carbon removal projects.

- **Supporting green home improvement and electric vehicles:** American Express products can be used to facilitate payments and financing for green infrastructure. In 2025, the Company partnered with selected merchants to deliver Amex Offers rewarding eligible Card Members for electric vehicle charging.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES *(continued)*

Customer Tools to Support Sustainable Practices (continued)

- **Carbon Footprint Tool:** The American Express Carbon Footprint Tool[1] allows selected Corporate clients, including eligible clients in the UK, to track estimated carbon emissions associated with spend across air travel, ground transportation, hotel stays, food and beverage, and retail. The Carbon Footprint Tool applies conversion factors and standards from various government and private organisations to a company's spend on its American Express Corporate Product Programme.

Integrating sustainability considerations into new products and product changes

The Company continuously assesses the market fit of its products and propositions to ensure they are in line with its future growth strategy, and to ensure they are suitable for customers, utilising Consumer Duty compliant frameworks. The Company continues to include considerations related to environmental impact into the governance process for the review and approval of new, modified, and expanded products and services.

4. Metrics and Targets

At the Enterprise level, American Express has committed to net-zero greenhouse gas emissions by 2050. The net-zero target, consisting of near-term and long-term emissions reduction targets, and a partner engagement target were validated by the Science Based Targets initiative ("SBTi") in 2024. More information is given in the Net Zero section of this disclosure. American Express' greenhouse gas emissions ("GHG") inventory from its 2019 baseline year is in the process of being recalculated and progress toward its emissions reductions targets is expected to be updated in line with the outcomes of the recalculation. Relevant metrics and targets, as well as data, assumptions and methodologies, have been developed and are expected to continue to be refined for the UK going forward. American Express implements and tracks performance related to operational environmental initiatives. Where the data allows, metrics are provided for historical periods to enable review of trends and progress over time. As data assumptions and methodologies are refined year-over-year, historical period data may not always be updated to reflect the ongoing data enhancements.

Managing greenhouse gas ("GHG") Emissions
American Express aims to manage its Scope 1, 2, and 3 greenhouse gas ("GHG") emissions through programs and initiatives focused on renewable energy, energy efficiency, more sustainable building and transportation practices, and engagement with suppliers and partners. For more information on the Company's operational energy consumption, Scope 1, 2 and 3 (Category 6) GHG emissions, including an explanation of the methodology, and GHG efficiency ratios for this financial year and the prior year, please refer to the Streamlined Energy and Carbon Reporting section of this Strategic Report disclosure.

CarbonNeutral® Certified Operations
In 2025, American Express maintained CarbonNeutral® certified operations including offices, field sites, and data centres in accordance with the CarbonNeutral Protocol, a leading third-party framework, through reduced GHG emissions, renewable energy credits and carbon offsets.[2]

American Express purchased 154,533 metric tons of carbon dioxide equivalent ("$MTCO_2e$") of carbon offsets that supported projects like solar power development, reforestation, and forest conservation. These projects offset its Scope 1 and 2 emissions, such as fuel and steam consumption, and selected categories of Scope 3 emissions, including those from certain activities related to colleague business travel and waste generated in its operations.

[1]The estimated information provided by the Carbon Footprint Tool is for generalised informational purposes only and does not constitute financial, tax, accounting, legal or other professional advice on any subject matter

[2]The company's achievement of CarbonNeutral® certified operations in 2025 covers Scope 1 (direct emissions from sources owned or controlled by American Express), Scope 2 (indirect) location-based and market-based emissions) and select categories of Scope 3 emissions in line with the CarbonNeutral® protocol through renewable energy credits, carbon offsets, and reduced GHG emissions. Maintaining CarbonNeutral® certified operations is separate from our net-zero commitment.

Strategic Report for the year ended 31 December 2025 (continued)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT - CLIMATE RELATED FINANCIAL DISCLOSURES (continued)

4. Metrics and Targets (continued)

Renewable Energy
In 2025, American Express purchased 12,912 MWh of Renewable Energy Guarantees of Origin ("REGO"s) and Green Tariffs, which verify the production of renewable electricity in an amount equivalent to total electricity consumption in the UK. American Express' purchases of Energy Attribute Certificates ("EAC"s) are aligned with the technical guidance from RE100. In 2025, the Company produced approximately 1,110 kWh of renewable solar electricity at its Brighton, UK data centre.

Sustainable Building Practices
American Express strives to design, build, and operate facilities that consume fewer resources, aiming to follow best practices such as adhering to and achieving certifications in U.S. Green Building Council's Leadership in Energy and Environmental Design ("LEED") standards and other international green building standards, including BREEAM, NABERS, GreenMark, HQE, and Effinergie+, as well as local building standards. American Express is also working to improve the comfort, quality, and flexibility of its offices globally to support colleagues' overall well-being.

The Company's 36 Mighell Street and 1 John Street offices in Brighton are currently certified under the BREEAM New Construction Standard. BREEAM recertification for the Belgrave House office is currently underway as of the reporting date.

As of 2025, the Belgrave House office in London is WELL Certified™ at the Platinum level, the highest certification level, in recognition of the buildings performance across evidence-based policy, design, and operational strategies focused on occupant health and well-being. In addition, as of 2025, the Belgrave House Office, Sussex House office and 1 John Street office have achieved WELL Health & Safety Ratings.

Waste Reduction
American Express is working to reduce and divert landfill-bound waste across its operations. The UK continues to implement initiatives, including recycling and composting programmes and engaging colleagues in waste reduction efforts as part of the Green2Gether programme.

Responsible Sourcing
American Express is committed to working with suppliers who share its values, including sustainability and responsible sourcing. In 2025, the UK sourced 100% of its direct marketing, customer communications, and office paper from certified responsibly managed forests with Forest Stewardship Council ("FSC") and Programme for the Endorsement of Forest Certification ("PEFC"), consistent with 2024.

Strategic Report for the year ended 31 December 2025 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

As part of the Company's commitment to comply with all relevant environmental legislation, this section of the Strategic 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; 2025 and 2024).

Methodology
AESEL considers the principles and guidance of the World Resources Institute ("WRI") and the World Business Council for Sustainable Development's ("WBCSD") Greenhouse Gas Protocol Initiative's A Corporate Accounting and Reporting Standard, Revised Edition, and GHG Protocol Scope 2 Guidance, An amendment to the GHG Protocol Corporate Standard (together the "GHG Protocol"), to guide the criteria to assess, calculate and report GHG emissions. GHG emissions are measured for Scope 1 (direct emissions from stationary fuels, mobile fuels, and fugitives), Scope 2 (indirect emissions from purchased electricity, steam, chilled water, and district heating), and Scope 3 Category 6 (Business Travel).

Organisational Boundaries
American Express uses the operational control approach, consistent with the GHG Protocol, to account for and report Scope 1 and Scope 2 GHG emissions. Under the operational control approach, American Express accounts for emissions associated with operations and assets over which it has the authority to introduce and implement operating policies. Emissions from combustion of propane, landlord owned generators, gasoline from small engine operations and pending or inactive real estate locations are deemed insignificant and are not included in the Company's inventory.

Emissions Factors and Global Warming Potentials
Emission factors were sourced from recognized authorities, including the U.S. Environmental Protection Agency ("EPA"), GHG Emission Factors Hub (January) 2025, Department for Energy Security and Net Zero ("DESNZ"), GHG reporting: conversion factors 2025, International Energy Agency ("IEA") 2024, and other relevant national datasets. To convert non-CO2 greenhouse gases into CO2e, the Global Warming Potentials (GWPs) from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report ("AR6") were used. Where the GWP is embedded in the emission factor and the emission factor by individual gas is not disclosed, the embedded GWP is applied.

Scope 1 Emissions
Scope 1 emissions from stationary combustion (natural gas, or diesel), mobile fuel combustion and refrigerant fugitive sources were calculated using utility bills, vehicle usage, and internal records, respectively. Estimated data and assumptions were incorporated when activity data was unavailable. For natural gas, company specific intensity factors, building characteristics such as building type, region, and climate zone were used to assume fuel mix and estimate consumption.

For vehicles, lease dates and average daily mileage were used to estimate vehicle distance travelled. When actual fuel or distance data were unavailable, country-specific average annual distances and fuel efficiencies from the IEA were applied. For HVAC systems, a company-specific intensity factor based on total recharge volume divided by total square footage of sites with known data were used to estimate volume of recharge. Fuel diesel consumption for back-up generators is estimated by multiplying the number of generators and their runtime (hours) by a consumption rate derived from manufacturer specifications or proxy values from similar company-owned equipment. Fourth-quarter activity across all scope 1 emission sources was estimated based on actual monthly data activity from the first three quarters of the reporting year.

Scope 2 Emissions
Scope 2 emissions from purchased energy were calculated based on invoices and otherwise estimated when invoices were unavailable using company-specific intensity factors by building type, region, and climate zone, multiplied by appropriate emission factors. Energy attribute certificates ("EAC"s) such as Guarantees of Origin ("GO"s) and Renewable Energy Certificates ("REC"s) were used during 2025 to contractually procure renewable energy. The use of Energy Attribute Certificates considers the requisite Scope 2 quality criteria have been or will be retired by the vendor's scheduled date. Emission factors for the market-based method were applied based on the GHG Protocol hierarchy and availability of data. Fourth-quarter activity across all scope 2 emission sources was estimated based on actual monthly data activity from the first three quarters of the reporting year.

Strategic Report for the year ended 31 December 2025 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Scope 3 Emissions (Category 6 – Business Travel)
For SECR reporting, energy consumption (and therefore GHG emissions) from the UK vehicle fleet is quantified based on business travel data from reimbursed mileage reports for each UK entity. In 2025, there are also company owned vehicles, accounted for in Scope 1, in addition to reimbursed mileage in personal vehicles in Scope 3 Category 6. Fuel economy conversions and emissions for 2025 applied UK DESNZ ("Department for Energy Security and Net Zero") GHG Conversion Factors 2025 updated on 10 June 2025. For reporting purposes, all cars are assumed to be average type and assumed to use fossil-based fuels. These Scope 3 emissions are limited to Category 6 and, within Category 6, do not include emissions from other "business travel" sources, e.g., 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. Accordingly, Scope 3, Category 6 emissions included in SECR reporting are not comparable to Scope 3, Category 6 emissions reported at the Enterprise level.

Legal Entity Allocation of Emissions
American Express prepared an enterprise-level GHG inventory for 2025, obtained limited assurance of Scope 1 and 2 emissions and allocated emissions to individual legal entities. Through this process, legal entity-level emissions are derived by disaggregating the enterprise inventory using legal-entity-specific allocation factors to support consistency while reflecting the operational footprint of each legal entity. Allocation is based on employee headcount by legal entity and office location, mapped to the global facilities portfolio. Where multiple legal entities occupy the same facility, energy consumption and associated emissions are allocated proportionally based on headcount. The primary metric that American Express uses for annual comparison of emissions is tCO_2e (tonnes of carbon dioxide equivalent) per employee.

Reasonable Assumptions
GHG emissions quantification is subject to inherent measurement uncertainty because of such things as GHG emissions factors that are used in mathematical models to calculate GHG emissions, and the inability of these models, due to incomplete scientific knowledge and other factors, to accurately measure under all circumstances the relationship between various inputs and the resultant GHG emissions. Environmental and energy use data used in GHG emissions calculations are subject to inherent limitations, given the nature and the methods used for measuring such data. The selection by management of different but acceptable measurement techniques could have resulted in different amounts or metrics being reported.

UK Annual Energy Consumption & Carbon Emissions

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 2025, and 2024.

During the current reporting period, fuel oil consumption includes both hydrotreated vegetable oil ("HVO") and stationary diesel. In the prior reporting year, fuel oil disclosures were limited to HVO only. This expanded scope reflects improvements in data collection processes implemented in 2025, enabling more comprehensive reporting of fuel consumption, and results in an apparent increase in reported energy use compared to 2024.

In 2025, reporting boundaries were refined from a UK activity-based approach to a legal entity basis. Consequently, Scope 1 mobile fuel is now reported under "Mobile Fuel," while Scope 3 Category 6 continues to be reported under "Transport." This methodological change introduces a new category of reported energy consumption and contributes to an apparent increase compared to the prior year.

Overall, emissions across Scope 1, Scope 2 (location-based), and Scope 3 Category 6 (Business Travel) decreased compared with the previous reporting year, whereas Scope 2 (market-based) emissions increased.

Strategic Report for the year ended 31 December 2025 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Table 1: Annual Energy Consumption

Energy	Unit	2025	2024
Natural Gas	kWh	5,216,885	5,017,786
Fuel Oil	kWh	99,842	50,623
Mobile Fuel[1]	kWh	30,580	—
Total Direct Energy Consumption	**kWh**	**5,347,307**	**5,068,409**
Purchased electricity	kWh	10,848,430	10,307,660
Solar	kWh	979	4,704
Total Intermediate Energy Consumption	**kWh**	**10,849,409**	**10,312,364**
Transport	**kWh**	**80,551**	**94,685**
Total	**kWh**	**16,277,267**	**15,475,458**

Table 2: Annual tCO_2e emissions

Greenhouse Gas (GHG) Emissions	Unit	2025	2024
Scope 1 – Direct	tCO_2e	647.47	936.76
Scope 2 (Location) – Indirect	tCO_2e	2,255.20	2,134.20
Scope 2 (Market) – Indirect	tCO_2e	329.40	—
Scope 3: Category 6 – Business Travel	tCO_2e	17.69	22.85
Total Scope 1, 2 (Location - based), 3 (Category 6 - Business Travel)	**tCO_2e**	**2,920.36**	**3,093.81**
Total Scope 1, 2 (Market - based), 3 (Category 6 - Business Travel)	**tCO_2e**	**994.56**	**959.61**

Table 3: tCO_2e intensity metric

Intensity Ratio	Unit	2025	2024
Market-based	tCO_2e/employees	0.2669	0.2729
Location-based	tCO_2e/ employees	0.7838	0.8797

As part of its public disclosure, American Express' 2024-2025 Sustainability Disclosure includes a detailed section summarising the Group's global energy consumption and global GHG inventory. The link below provides access to the latest Sustainability Disclosure. The disclosure 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/2025/11/21/AXP_2024-2025_Sustainability-Disclosure.pdf

[1] In 2025, reporting boundaries were refined from a UK activity-based approach to a legal entity basis. As a result, Scope 1 mobile fuel is now reported under "Mobile Fuel," while Scope 3 Category 6 remains reported under "Transport."

Strategic Report for the year ended 31 December 2025 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Efficiency Measures

In 2024, American Express performed decarbonization audits across global offices, including the UK. The audits included benchmarking of building energy performance, analysis of electrical infrastructure and system capacity, reviews of site technology, and reviews of building energy procurement strategies. The overall evaluation and cost-benefit analysis of activities provided recommendations and a timeline of activities to support emissions reduction initiatives and inform decision making for facility upgrades. As a result of the audit findings, the Company has implemented a number of energy efficiency projects. Examples of measures implemented during reporting year 2025 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 (years)
1 John Street	Replace fluorescent light fittings with LED fittings with smart controls	444,008	66.9	112,990	1,686,292	Implementtion ongoing in 2025	14.9
	Upgrade BMS/ BMS Head End & Outstation Replacement and Optimisation	281,634	61.5	65,323	300,943		4.6
	Refurbishment of cooling towers	49,951	7.5	12,711	199,509	Implemented in 2025	15.7
	Replacement of 508x 'Ability Delta' Fan Coil	26,138	3.9	6,651	847,467		127.4
	Installation of Sabien M2G units to gas fired boilers	428,040	78.3	24,617	23,467		1.0
36 Mighell Street	Downsize of the uninterruptible power supply ("UPS") system	535,643	94.8	126,145	268,570	Implementtion ongoing in 2025	2.1
Sussex House	Installation of Sabien M2G units to gas fired boilers	178,800	32.7	11,339	13,218	Implemented in 2025	1.2
	Installation of EkkoSense IT Room Monitoring	1,016	0.2	242	33,070		136.7

Strategic Report for the year ended 31 December 2025 (continued)

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 UK 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.

The Directors are briefed on their statutory duties as part of their induction and have access to professional advice, either from the Company Secretary or, where considered appropriate, from independent advisers. The Board discharges its duties through an established governance framework, which includes the delegation of day-to-day operational decision-making to management. In carrying out their responsibilities, the Directors consider both the short-term and long-term implications of their decisions and their impact on the Company's stakeholders.

The following paragraphs summarise how the Directors fulfil their duties:

1. Risk management

The Company provides services to its customers in a highly regulated environment. As the Company grows, its business and risk environment become more complex. It is therefore vital that the Board effectively identify, evaluate, manage and mitigate the risks faced by the Company, and that their approach to risk management is continually evolving. For details of the Company's principal risks and uncertainties, and how the Board and wider governance structure manages the Company's risk environment, please refer to the Statement of Corporate Governance Arrangements and Financial Risk Management section of the Directors' and Strategic Reports respectively.

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 (detailed within the Opportunity and Risk section of the Statement of Corporate Governance Arrangements).

During the year, the Board focused on several key areas including Vulnerable Customers, Financial Promotions, Consumer Duty, Operational Resilience, new requirements under the Economic Crime and Corporate Transparency Act 2023 such as the Failure to Prevent Fraud and identity verification. Another focus for the Board was AML regulation, specifically in respect of Politically Exposed Persons. The Board also considered its risk appetite framework and metrics, ensuring that they remained appropriate for the Company.

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 our 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, and 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 that they achieve their goals in the right way.

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.

Strategic Report for the year ended 31 December 2025 (continued)

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

2. Our People (continued)
The Board has also considered the potential impacts of employee turnover on the Company and continues to update the succession planning for key roles.

As part of its ongoing commitment to colleagues, the Board regularly receives updates on matters including attrition, conduct issues, and trends in colleague and labour relations. It is also kept informed of medical, health and safety matters, and receives insights from the Colleague Experience Survey, which provides valuable perspective on colleague views and sentiment across the Company.

In 2025, the Board received regular updates from the Global Real Estate team in respect of the UK building footprint and continues to actively manage that footprint.

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, prioritises organic growth, by continually enhancing the Company's customer value propositions, its brand and developing and maintaining strong client relationships. The Company values all of its suppliers and partners and has multi-year contracts with many of them.

The Directors believe that delivering products and services in a fair and transparent manner is critical to providing best-in-class customer service. As part of its fundamental commitment, the Company is dedicated to engaging in customer practices that embody transparency, truthfulness, fairness, and a culture of non-discrimination.

The Company manages and mitigates customer practices risk through dedicated resources and ongoing monitoring, testing, and oversight. This also applies to third-party vendors and their subcontractors, also known as fourth-party vendors.

For further details on business relationships and the actions the Board took during 2025 in respect of business relationships, please refer to the Stakeholder Engagement Statement within the Directors' Report.

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, aims to leverage the expertise of its people and enable colleagues to support local communities.

The Board considers the impacts of all its decisions on the community and the environment. During the year the Board received an update on relevant climate-related topics as detailed within the TCFD-aligned climate-related financial disclosures which are included for the third time in these financial statements. For further details concerning the environment please refer to the 'Non-Financial and Sustainability Information Statement' and 'Streamlined Energy and Carbon Reporting' sections included earlier in this Strategic Report.

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 its strategy and objectives, so these must be explained clearly and any issues or questions raised be properly considered. The Company Board (the "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 those strategies maximise shareholder return.

The Company's immediate parent, American Express Holdings Limited (AEHL), is represented on the Board by the Company's Chair and CFO, both of whom are also directors of AEHL.

Strategic Report for the year ended 31 December 2025 (continued)

OUTLOOK, RISKS AND UNCERTAINTIES

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

The investments that the Company has made over the past several years have ultimately sustained growth, positioning the Company well to continue to increase its share in the payments industry sector, and have also enabled operations to be redesigned leading to improved efficiency and customer service. The Company continues to invest carefully in order to capitalise on new opportunities for growth.

The Company offers a broad array of products and services to consumers, small businesses and commercial clients and thus is dependent upon the level of consumer and business activity to generate revenues. The Company continues to invest in its premium product offerings and customer adjacencies, such as instalment lending, to remain relevant to its Cardmember base and support their financial needs. Slow economic growth, economic contraction or shifts in broader consumer and business trends impact customer behaviours, including spending on cards, the ability and willingness of Cardmembers to borrow and pay amounts owed, and demand for fee-based products and services. 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 Company's profitability.

Despite challenges in the macroeconomic and geopolitical environment, the Company continues to see billings and cards in force growth across both consumer and commercial.

GOING CONCERN

The Board remain satisfied with the appropriateness of preparing the financial statements on a going concern basis having considered severe but plausible scenarios and given the reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future, as well as considering the Group's intention to provide ongoing support to the Company and the integral nature of the Company's operations to the broader group. The Directors' assessment is for a period of at least 12 months from the date of approval of the financial statements. A letter has been secured from American Express Company to express its intention to support the Company's liquidity position and maintain its safe and sound operations for the thirteen months following the signing of these financial statements. The Company has performed an evaluation of subsequent events through May 14, 2026, which is the date the financial statements were available to be issued.

The Strategic Report was reviewed by the Board of Directors on 14 May 2026 and approved on the date specified below on its behalf by:

Signed by: 9C5ED9E1D948434...	Signed by: Julia Huson 23D5EFD2E31342E...
H Lewis	J Huson
Chairperson	Chief Financial Officer

Date: 14 May 2026

INCOME STATEMENT
For the year ended 31 December 2025

	Note	2025 £000	2024 £000
TURNOVER	5, 6	**2,528,722**	2,293,275
Administrative expenses	7, 8	**(2,447,802)**	(2,208,379)
OPERATING PROFIT		**80,920**	84,896
Interest receivable and similar income	10	**39,015**	53,183
Interest payable and similar expenses	11	**(52,992)**	(64,893)
PROFIT BEFORE TAXATION	7	**66,943**	73,186
Tax on profit	12	**(19,866)**	(12,111)
PROFIT FOR THE FINANCIAL YEAR		**47,077**	61,075

The notes on pages 40 to 97 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	2025 £000	2024 £000
Profit for the financial year		**47,077**	61,075
Other comprehensive (loss) / income: items that may be reclassified to income statement:			
Foreign exchange (loss)/gain		**(2,756)**	2,498
Loss on net investment hedges	16	**(17)**	(1,259)
Total other comprehensive (loss)/income		**(2,773)**	1,239
Total comprehensive income for the year net of tax		**44,304**	62,314

The notes on pages 40 to 97 form an integral part of the financial statements.

BALANCE SHEET
As at 31 December 2025
Registered number: 01833139

	Note	2025 £000	2024 £000
FIXED ASSETS			
Tangible assets	13	**123,516**	125,670
Investments	14	**140,768**	140,768
		264,284	266,438
CURRENT ASSETS			
Stocks		**3,036**	2,570
Debtors	17	**3,675,086**	3,390,287
Cash at bank and in hand	18	**10,432**	77,070
		3,688,554	3,469,927
TOTAL ASSETS		**3,952,838**	3,736,365
CREDITORS: Amounts falling due within one year	19	**(2,304,285)**	(2,142,968)
NET CURRENT ASSETS		**1,384,269**	1,326,959
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,648,553**	1,593,397
CREDITORS: Amounts falling due after more than one year	20	**(60,307)**	(104,354)
PROVISIONS FOR LIABILITIES	23	**(272,974)**	(223,745)
NET ASSETS		**1,315,272**	1,265,298

BALANCE SHEET (continued)

As at 31 December 2025

Registered number: 01833139

	Note	**2025**	2024
		£000	£000
CAPITAL AND RESERVES			
Called up share capital	25	**211,788**	211,788
Share premium account		**52,574**	52,574
Share-based payment reserve		**35,824**	30,154
Translation reserve		**(5,512)**	(2,756)
Retained earnings		**1,020,598**	973,538
TOTAL SHAREHOLDERS' FUNDS		**1,315,272**	1,265,298

The financial statements on pages 35 to 97 were approved by the Board of Directors on 14 May 2026 and signed on its behalf by:

Signed by:
9C5ED9E1D948434...

H Lewis

Chairperson

Signed by:
Julia Huson
23D5EFD2E31342E...

J Huson

Chief Financial Officer

Date: 14 May 2026

The notes on pages 40 to 97 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Registered number: 01833139

	Called-up share capital	Share premium account	Share-based payment reserve	Translation reserve	Retained earnings	Total Shareholders' Funds
	£000	£000	£000	£000	£000	£000
At 1 January 2025	211,788	52,574	30,154	(2,756)	973,538	1,265,298
Profit for the financial year	—	—	—	—	47,077	47,077
Other comprehensive loss	—	—	—	(2,756)	(17)	(2,773)
Total comprehensive income / (loss)	—	—	—	(2,756)	47,060	44,304
Current and Deferred tax movements in equity (Note 12)	—	—	5,382	—	—	5,382
Share-based payments charge	—	—	26,615	—	—	26,615
Recharge paid to parent for share-based payments	—	—	(26,327)	—	—	(26,327)
At 31 December 2025	**211,788**	**52,574**	**35,824**	**(5,512)**	**1,020,598**	**1,315,272**

	Called-up share capital	Share premium account	Share-based payment reserve	Translation reserve	Retained earnings	Total Shareholders' Funds
	£000	£000	£000	£000	£000	£000
At 1 January 2024	211,788	52,574	21,244	(5,254)	913,722	1,194,074
Profit for the financial year	—	—	—	—	61,075	61,075
Other comprehensive income / (loss)	—	—	—	2,498	(1,259)	1,239
Total comprehensive income	—	—	—	2,498	59,816	62,314
Current and Deferred tax movements in equity (Note 12)	—	—	8,773	—	—	8,773
Share-based payments charge	—	—	23,911	—	—	23,911
Recharge paid to parent for share-based payments	—	—	(23,774)	—	—	(23,774)
At 31 December 2024	211,788	52,574	30,154	(2,756)	973,538	1,265,298

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2025

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The principal activity of American Express Services Europe Limited ("AESEL" or "the Company") is the provision of financial services in relation to payment services.

The Company is engaged in the issuing of a wide range of charge cards and revolving credit cards, including the provision of products and services related to consumer and commercial clients. The Company also offers a range of rewards schemes, including those which award customers who hold the Company's cards ("Cardmembers") cashback or points, based on the amount they spend.

AESEL 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 Group"). The address of its registered office is Belgrave House, 76 Buckingham Palace Road, London, SW1W 9AX.

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

The financial statements of the Company for the year ended 31 December 2025 were reviewed by the Board of Directors on 14 May 2026 and approved on the Board's behalf by H Lewis and J Huson.

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 has taken advantage of the exemptions under s401 of the Companies Act 2006 not to prepare consolidated financial statements as it is a wholly owned subsidiary of American Express International Inc. ("AEII") incorporated in the United States of America, a larger Group entity incorporated outside of the European Economic Area.

The Company's immediate parent is American Express Holdings Limited, a subsidiary of AEII, owning 90.75% of the Company. The remaining 9.25% (being 80.88% of the Company's preference shares) belongs to AEII. AEII 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 Company and American Express International Inc. financial statements can be obtained from American Express Company, 200 Vesey Street, New York, NY 10285, USA.

The material accounting policies adopted by the Company are set out in Note 3.

3. 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:

3.1 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, modified by the revaluation of certain financial instruments and derivatives to fair value through profit and loss. The Board remain satisfied with the appropriateness of preparing the financial statements on a going concern basis having considered severe but plausible scenarios and given the reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future, as well as considering the Group's intention to provide ongoing support to the Company and the integral nature of the Company's operations to the broader group. The Directors' assessment is for a period of at least 12 months from the date of approval of the financial statements. A letter has been secured from American Express Company to express its intention to support the Company's liquidity position and maintain its safe and sound operations for the thirteen months following the signing of these financial statements. The Company has performed an evaluation of subsequent events through May 14, 2026, which is the date the financial statements were available to be issued. The functional currency of the Company 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 judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.22.

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 paragraph 52 of IFRS 16 Leases.
- 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);
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).
- 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) and 40 (a) additional comparative information; and
  - 111 cash flow statement information;
- 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 18A to disclose the compensation of key management personnel; and

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of preparation (continued)

- 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 2025

No new or amended standards and interpretations were applicable to the Company for these financial statements.

(b) Standards and amendments early adopted by the Company

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

3.2 Foreign currency translation

(a) Functional and presentational currency

The Company records financial transactions in a variety of currencies across its operating units. 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 at the average month-end exchange rates during the year. 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.

Translation differences on financial instruments measured at fair value through profit or loss are reported as part of the fair value gain or loss in the Income Statement.

(c) Foreign Branches

The assets and liabilities of foreign branches that have a different functional currency are translated into pounds sterling (£) as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at average exchange rate; and
- all resulting exchange differences are recognised in other comprehensive income.

3.3 Tangible assets

Cost

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses which are recognised within administrative expenses. Costs include expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Right-of-use assets are recognised and measured at the respective lease liabilities, adjusted by prepaid lease payments, initial direct costs, and offset by lease incentives received.

3.3 Tangible assets (continued)

Depreciation

Depreciation is provided on a straight-line basis to write off the net cost of each item of property or plant and equipment to its residual value over their expected useful life to the Company. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Balance Sheet date.

Right-of-use assets are depreciated over the shorter of the useful life and the lease term.

The estimated useful lives of each class of assets are:

Leasehold improvements	- 5 to 10 years
Furniture & fittings	- 3 to 8 years
Plant and machinery	- 3 to 8 years
Right-of-use assets	- 1 to 15 years
Assets in course of construction	- not depreciated until ready for use

In the event of an impairment trigger event being enacted, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing net proceeds with carrying amount and are included in administrative expenses.

Repairs and maintenance (as opposed to improvements and enhancements of existing assets) are charged to the Income Statement during the period in which they are incurred.

3.4 Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

3.5 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever market or economic events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (i.e. the higher of an asset's fair value less costs to sell and its value-in-use). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the Income Statement. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value on a systematic basis over its remaining useful life.

3.6 Financial assets

The Company classifies its financial assets at fair value through profit or loss ("FVTPL") and at amortised cost. The Company did not hold any financial assets classified as 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. Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrower.

(a) Financial assets at fair value through profit or loss

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the Company may make an irrevocable election at initial recognition for particular investments in equity instruments (that would otherwise be measured at fair value through profit or loss) to present subsequent changes in fair value in other comprehensive income. The Company may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so either:

(i) eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the financial assets or liabilities or recognising the gains and losses on them on different bases; or
(ii) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel.

Financial assets cannot be transferred into or out of this category after inception except under very specific circumstances, whereby they are recognised initially at fair value, with transaction costs taken directly to the Income Statement. Financial assets at fair value through profit and loss are subsequently measured at fair value. Fair value is determined in the manner described in Note 15.

Assets in this category are classified as current assets if they are expected to be realised within 12 months after the Balance Sheet date. If the Company intends to realise the assets more than 12 months after the Balance Sheet date, they are classified as non-current.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Income Statement within administrative expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the Income Statement as part of other income when the Company's right to receive payment is established. Cardmember loans or receivables which are held within a business model whose objective is achieved by selling the financial assets are classified under IFRS 9 as mandatorily measured at FVTPL.

3.6 Financial assets (continued)

(b) 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 which 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.

Certain Cardmember loans and receivables are classified under IFRS 9 as mandatorily measured at amortised cost because they are held within a business model whose objective is achieved by collecting contractual cash flows. These balances relate to minor portfolios that are not sold to a related party.

(i) Cardmember receivables

Cardmember receivables represent amounts due from charge card customers. These receivables are recorded at the time a Cardmember enters into a point-of-sale transaction with a merchant. Cardmember receivable balances at amortised cost are presented on the Balance Sheet net of reserves for expected credit losses, and include principal and any related accrued fees.

IFRS 9 classification is dependent on the relevant business model applied (see Notes 3.6(a) and 3.6(b)).

(ii) Cardmember loans

Cardmember loans represent amounts due from lending product customers and also include balances with extended payment terms on certain Charge card products. These loans are recorded at the time a lending Cardmember enters into a point-of-sale transaction with a merchant or when a Charge card customer enters into an extended payment arrangement. Cardmember loans at amortised cost are presented on the Balance Sheet net of reserves for Cardmember expected credit losses, and include accrued interest receivable and fees as of the Balance Sheet date.

IFRS 9 classification is dependent on the relevant business model applied (see Notes 3.6(a) and 3.6(b)).

(iii) Other loans

Other loans are recorded at the time any extension of credit is provided to consumer and commercial customers for financing products not associated with a Cardmember agreement, such as consumer instalment loans and lines of credit offered to small business customers.

(iv) Loans due from Group undertakings

Loans due from Group undertakings represent amounts due from other Group companies. Expected credit losses are not material given the nature of the lending and the strong credit position of the Group.

(v) Other debtors

Other debtors relate to regular trade receivables due to the Company in the normal course of business. Expected credit losses are not material given the typically short term nature of these balances.

3.7 Impairment of financial assets

The Company assesses financial assets, other than those at fair value through profit or loss, 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) Cardmember loans and receivables

For the purposes of a collective evaluation of impairment, Cardmember loans and receivables are grouped on the basis of similar risk characteristics, taking into account asset type, industry, geographical location, collateral type, past due status and other relevant factors, with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The aggregation of financial instruments to assess whether there are changes in credit risk on a collective basis may change over time as new information becomes available on groups of, or individual, financial instruments.

The expected credit losses in a group of financial assets that are collectively evaluated for impairment are estimated in a way that reflects:

(i) an unbiased and probability-weighted amount that is determined by evaluating a range on the basis of possible outcomes;

(ii) the time value of money; and

(iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

A credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract, and the cash flows that the entity expects to receive. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Loans due from Group undertakings

Loans 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.

3.8 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.

3.9 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.

Transfers of financial assets that do not meet derecognition criteria are accounted for as secured borrowings in the Balance Sheet. Financial liabilities are derecognised when they are extinguished.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.10 Derivative financial instruments and hedge accounting

Derivative financial instruments allow the Company to transfer, modify or reduce their foreign exchange, interest rate and credit risks. These are either held for hedging in relation to the Company's net investment hedges, or for trading purposes where derivatives are non-designated hedges relating to the Company's other foreign currency exposures.

(a) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The fair value of the Company's derivative financial instruments are determined using either market quotes or valuation models that are based upon the net present value of estimated future cash flows and incorporate current market data inputs. The Company reports its derivative assets and liabilities on a net basis (by counterparty) where management has the legal right of offset under enforceable netting arrangements and intends to settle on a net basis or to realise the asset and settle the liability simultaneously. Fair value is determined in the manner described in Note 15.

(b) Hedge accounting

Derivative financial instruments that are entered into for hedging purposes are designated as such when the Company enters into the contract. For all derivative financial instruments that are designated for hedging activities, the Company formally documents all of the hedging relationships between the hedge instruments and the hedged items at the inception of the relationships. Management also formally documents its risk management objectives and strategies for entering into the hedge transactions.

In accordance with its risk management policies, the Company generally structures its hedges with very similar terms to the hedged items; therefore, when applying the accounting requirements, the Company generally recognises insignificant amounts of ineffectiveness through earnings. If it is determined that a derivative is not highly effective as a hedge, the Company will discontinue the application of hedge accounting.

The Company has a formal process for assessing whether derivatives designated as hedges are highly effective in offsetting the fair value or cash flows of hedged items, at inception and on a monthly basis. These assessments are usually made through the application of the 'dollar-offset' method.

Hedges of net investments

The Company designates certain derivatives as hedges of a net investment in a foreign operation (net investment hedge).

A net investment hedge in a foreign operation is used to hedge future changes in currency exposure of a net investment in a foreign operation. Hedges of net investments in foreign operations, including monetary items that are accounted for as part of the net investment, are accounted for similarly to cash flow hedges; the effective portion of the gain or loss on the hedging instrument is recognised directly in equity and the ineffective portion is recognised immediately in the Income Statement. The cumulative gain or loss previously recognised in equity is recognised in the Income Statement on the disposal or partial disposal of the foreign operation.

The foreign exchange gains/losses on net investment hedging instruments in relation to non-consolidated subsidiaries are recognised in the Income Statement.

Further information about the Company's hedging arrangements is given in Note 16.

3.11 Cash at bank and in hand
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 90 days or less, and bank overdrafts.

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.

3.12 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.

3.13 Financial liabilities
(a) Financial liabilities at fair value through profit or loss
Financial instruments are classified in this category if they are derivatives, held for trading, or if they are designated by management under the fair value option.

Financial liabilities at fair value through profit or loss are initially measured at fair value, with transaction costs taken directly to the Income Statement, and subsequently stated at fair value, with any resultant gain or loss recognised in the Income Statement. The net gain or loss recognised in the Income Statement incorporates any interest paid on the financial liability.

(b) Other financial liabilities
Other 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. Other financial liabilities are classified as borrowings, trade creditors, other creditors and accruals in the Balance Sheet. Preference shares which are mandatorily redeemable on a specific date, are classified as liabilities.

(c) Financial loan commitments
These commitments represent the amount of unutilised credit outstanding on the Cardmember loans and Cardmember receivables with a pre-set credit limit issued by the Company. There is no deemed commitment in respect of Cardmember receivables with no pre-set credit limit given that they are recorded at the time a Cardmember enters into a point-of-sale transaction with a merchant, and represent amounts due on card products and card-related fees that need to be paid in full on or before the Cardmember's payment due date. Given that Cardmember loans are classified as FVTPL (due to past practice of selling these assets), IFRS 9 requires the recognition of an undrawn commitment which is also classified as FVTPL. The fair value of the undrawn commitment leverages the IFRS 9 expected credit loss calculation methodology for the unfunded commitment (refer to Note 3.22 on accounting estimates and judgements and Note 15 classification of financial instruments) and is reported as part of other creditors. The Company has not provided any loan commitments at below market interest rates or that can be settled net in cash or by delivering or issuing another financial instrument.

3.14 Borrowings
Borrowings are recognised initially at fair value, generally their cash equivalents, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.14 Borrowings (continued)
Borrowings which are due to be settled within 12 months after the Balance Sheet date are presented as current borrowings even if the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the Balance Sheet date and before the financial statements are authorised for issue.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the asset. All other borrowing costs are recognised as an expense in the Income Statement using the effective interest method in the period in which they are incurred.

3.15 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 provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred 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 tax is not accounted for if it arises from initial recognition of goodwill or from the 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 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 tax asset is realised or the deferred tax liability is settled.

Deferred 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.

3.16 Employee benefits
(a) Wages and salaries, annual leave and sick leave and bonuses
Liabilities for wages and salaries including non-monetary benefits 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 the possibility of withdrawal. Benefits falling due more than 12 months after the Balance Sheet date are discounted to present value.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.16 Employee benefits (continued)

(c) Pension obligation

American Express Company provides pension arrangements for employees through defined benefit plans in the UK, Germany and Italy, and through defined contribution schemes in the UK and Germany. 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 being sponsoring employers of the plan.

As a result, American Express UK legal entities account for the plans as if they were a defined contribution arrangement with additional disclosure notes for the material plans (UK and Germany), 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.

(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 are 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 Restricted Stock awards or units 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.

3.17 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 obligations 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.

3.18 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 goods or services to a customer. Revenue is recognised as follows:

- Billing Credit revenue is earned from another Group company for the services and functions the Company provides to the American Express network. The revenue that the Company earns is a proportion of the billings generated by its Cardmembers, on account of their spend. Revenue is recognised in the period in which the Cardmember spend occurs and is presented net of a trademark royalty payable to another Group company, where UK card issuing profitability requires the payment of a royalty. The Company satisfies its obligations under these agreements over the contract term, often on a daily basis, through the processing of Cardmember transactions and the availability of the payment network.

- Card fees represent revenue earned from annual card membership fees, which vary based on the type of card and the number of cards for each account. The Company offers various card products, including both charge and lending products, with a range of associated services and benefits. The annual fee entitles the Cardmember to use the card to make purchases at merchants on the American Express network, as well as providing the Cardmember with access to the card-related services and benefits. Benefits associated with a card product may include access to the Membership Rewards program, or a third-party reward program, and the ability to earn points that are redeemable for a variety of goods and services in these programs by spending on the card product. The Company satisfies its obligations to the Cardmember over the annual membership term, through the processing of Cardmember transactions and enabling the availability of the card-related benefits and services.

  Card fees, net of a reserve for projected refunds for Cardmember cancellation, are deferred and recognised on a straight-line basis over the 12-month card membership period as net card fees in the Income Statement for both credit and charge card products. The unamortised net card fee balance is reported in creditors in the Balance Sheet. Incremental costs incurred to acquire Cardmembers are capitalised as an asset within debtors and amortised on a straight-line basis over the expected Cardmember account life which is estimated based on historical experience and any relevant current information. Cash rewards or statement credits representing cash consideration payable to Cardmembers are recorded as a reduction of the card fee, with any excess classified as expense, when the statement credit is awarded to the Cardmember.

- Interest revenue is recognised using the effective interest rate method based upon the principal amount outstanding in accordance with the terms of the applicable account agreement (further information is provided in Note 3.20). Interest revenue incorporates interest earned in relation to assets held at both amortised cost and FVTPL.

- Service fees and other revenue includes network partnership revenue, foreign currency-related revenue, delinquency fees and other fees and revenues. Service Fees also include revenue from services to other related Group entities which arises when the Company performs a service on behalf of another related Group entity. The Company charges the related Group entity on an arm's length basis, with this revenue being recognized in the period in which the service is provided. The Company determines these revenues using either traditional transaction methods or transactional profit methods.

- Foreign currency-related fees and delinquency fees are primarily recognized in the period when they are applied to a Card Member account.

3.19 Membership rewards expense

Cardmembers can earn Membership Rewards points for purchases charged on their enrolled card products. Membership Rewards points are redeemable for a broad variety of rewards, including travel, shopping, gift cards, and statement credits. Membership Rewards points do not expire unless a Cardmember terminates their relationship with American Express, and there is no limit on the number of points a Cardmember may earn. Membership Rewards expense is driven by spend volume on enrolled cards, customer redemption behaviour and contractual arrangements with redemption partners.

The Company records a Membership Rewards liability that represents the estimated cost of Membership Rewards points earned that are expected to be redeemed by Cardmembers in the future. The Membership Rewards liability is impacted over time by enrolment levels, attrition, the volume of points earned and redeemed, and the associated redemption costs. The Company estimates the Membership Rewards liability by determining the ultimate redemption rate ("URR") and the weighted average cost ("WAC") per point, which are applied to the points of current enrollees. The URR assumption is used to estimate the number of Membership Rewards points earned by current enrollees that will ultimately be redeemed in future periods.

The URR is applied to all points earned since inception by current enrollees, and the points utilised since inception are deducted. The WAC is then applied to the remaining points figure to calculate the Membership Rewards liability. The Company uses statistical and actuarial models to estimate the URR of points earned to date by current Cardmembers based on redemption trends, card product type, enrolment tenure, card spend levels and credit attributes. The WAC per point assumption is used to estimate future redemption costs and is primarily based on redemption choices made by Cardmembers, reward offerings by partners, and Membership Rewards program changes. The WAC per point assumption is derived from the previous 12 months of redemptions and is adjusted as appropriate for certain changes in redemption costs that are not representative of future cost expectations and expected developments in redemption patterns. The Membership Rewards liability is measured on a discounted basis.

3.20 Interest income and expense

Interest on Group financing activities and Cardmember lending is earned or recognised using the average daily balance method. Interest is recognised based upon the loan principal amount outstanding in accordance with the terms of the applicable account agreement until the outstanding balance is paid or written-off. Interest income is presented gross of the related interest expense. Interest income associated with Cardmember lending is presented as turnover and represents income earned from the fair valued assets. Interest income on Group related financing activities is presented as interest receivable and similar income.

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.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

For amortised cost receivables that are not credit impaired ("stage 1" and "stage 2"), interest income is calculated based on the gross carrying amount of the asset. When a receivable is impaired ("stage 3"), interest income will be calculated based on the net carrying amount (net of credit allowances). Interest income on impaired loans is recognised using the original effective interest rate. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.21 Leases

The Company primarily maintains operating leases for its office real estate facilities, under non-cancellable and cancellable lease agreements.

The Company recognises right-of-use assets and lease liabilities for operating leases with terms greater than twelve months. The Company's policy is not to separate lease and non-lease components when measuring the real estate right-of-use assets and lease liabilities.

Lease liabilities are recognised at lease commencement date and measured at the present value of the remaining contractual fixed lease payments, discounted using the Company's incremental borrowing rate or upon modification of the lease. Right-of-use assets are recognised and measured at the respective lease liabilities, adjusted by prepaid lease payments, initial direct costs, and offset by lease incentives received.

Right-of-use assets are depreciated over the shorter of the useful life and the lease term.Variable lease payments are excluded from the right-of-use assets and lease liabilities, and are recognised in the period in which the obligation for those payments is incurred. Lease liabilities are adjusted for extension or termination options that the Company is reasonably certain to exercise

The Company presents right-of-use assets in tangible assets and lease liabilities in creditors in the Balance Sheet. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases (real estate leases that have a lease term of 12 months or less) and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.22 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.

Estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Membership Rewards liability

The Company records a Membership Rewards liability that represents the estimated cost of Membership Rewards points earned that are expected to be redeemed by Cardmembers in the future.

The factors that can impact the Membership Rewards liability (including enrolment levels, attrition and earning and redemption behaviours), and the basis on which the liability is calculated, are detailed in Note 3.20. The Company has detailed the judgements applied in determining the methodology for the calculation of the Membership Rewards liability within this note.

The Company periodically evaluates its liability estimation process and assumptions based on changes in cost per point redeemed, partner contract changes and developments in redemption patterns, which may be impacted by product refreshes, changes in redemption options and mix of proprietary cards-in-force. The process of estimating the Membership Rewards liability includes a high degree of judgement. Actual redemptions and associated redemption costs could differ significantly from these estimates, resulting in either higher or lower Membership Rewards expense. Changes in the Membership Rewards URR and WAC per point have the effect of either increasing or decreasing the liability through the current period 'Cardmember rewards and benefits' expense (part of administrative expenses) by an amount estimated to cover the cost of points previously earned but not yet redeemed by current enrollees as of the end of the reporting period.

An increase of 1% (100 bps) in the URR would result in an increase in the Membership Rewards provision of £11.5m. A 10% increase in the WAC would result in an increase in the Membership Rewards provision of £27.1m. Given the methodology for calculating the Membership Rewards liability (applying the URR to the points earned since inception, then deducting actual points redeemed since inception to calculate the reservable points bank to which the WAC is applied, rather than applying the URR and WAC to the net unredeemed points since inception), the 1% increase applied to the URR does not lead to a direct 1% increase in the Membership Rewards provision.

- Fair value of undrawn commitments

The fair value of undrawn commitments is calculated using the unfunded IFRS 9 expected credit loss calculation methodology as a proxy (refer to the judgements associated with this methodology later in this note).

Note 4 (e) Expected Credit Loss ("ECL") measurement, provides details of the methodology and key inputs used to estimate the expected credit losses on the unfunded commitment, including when a significant increase in credit risk has occurred and what forward looking macroeconomic information to incorporate. Significant estimation is required in determining which macroeconomic scenarios to incorporate and the relative weightings ascribed to each scenario. The nature of this balance is sensitive and driven by movements in credit risk. A 20 percentage point movement in the scenario weightings from optimistic to pessimistic results in the estimated losses on the unfunded commitment, and consequently the undrawn commitment liability, increasing by approximately £5.3m.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

3.22 Accounting estimates, assumptions and judgements (continued)

- Fair value of undrawn commitments (continued)

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

Judgements

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

Business model assessment and FVTPL designation of Cardmember loans and receivables

As outlined in Note 3.6 (a) and (b) Cardmember loans and receivables are classified as FVTPL where they are part of the business model whose objective is achieved by selling those loans and receivables to an affiliate entity on a regular basis. The Company's judgement in making this determination and consequently in classifying those Cardmember loans and receivables at FVTPL is formed on the basis of management's intention to continue such sales for the foreseeable future and the past practice of realising cashflows on these assets through sale.

Fair value of undrawn commitment – Note 3.13(a) Financial liabilities at fair value through profit or loss

Under IFRS 9, the undrawn commitment in relation to future Cardmember spend is measured at fair value when there is a past practice of selling the assets resulting from these commitments shortly after origination. Management applied judgement in determining that the undrawn commitment should only consist of the expected credit losses on future spend, discounted at the effective interest rate. In assessing whether the fair value of future card fees and future expenses to support the commitment should be included within this fair value calculation, management concluded that both elements relate more to the overall Cardmember relationship rather than specifically the undrawn commitment. These elements were therefore excluded. The calculation of the fair value of the undrawn commitments leverages IFRS 9 expected credit loss calculation methodology (see Note 4(e) for further details). Other methodologies could also be applied but management have made a judgement to apply this approach.

Defined benefit pension scheme

Certain employees participate in defined benefit pension schemes with several participating employers sharing the risks between entities under common control. The plans do 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 these schemes. None of the participating legal entities have been assessed as being sponsoring employers of the plans. In the judgement 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 26 for further details).

Membership Rewards liability

The choice of methodology used to estimate the Membership Rewards liability requires the application of judgement. A judgement has been made that the most appropriate way of reflecting expected unused points when customers leave, is to apply the URR to to all points earned since inception (by current enrollees) and deduct the points utilised to date to determine the number of remaining points for which a provision is required. Alternative methodologies could be used, for example a first in first out approach, which would result in a different liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT

(a) Governance

Risk management of the Company is overseen by its Directors who are responsible for managing the Company's affairs and for ensuring that the operations of the Company, including those of its branches, 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.

To fulfil these responsibilities, the Company maintains a governance framework that describes key components of risk management, including risk governance, oversight, roles and responsibilities across the lines of defense, risk taxonomy, risk appetite and the risk management lifecycle.

As part of the governance framework the following committees reported regularly to the Board in 2025:

- The Audit and Finance Committee; and
- The Operational Risk Committee.

In 2026 the Board Risk Committee was established. The Board Risk Committee reports directly to the Board and is supported by the Risk Management Committee (which replaces the Operational Risk Committee and reports through the Board Risk Committee).

For further details on the committees and the responsibilities of the Directors, please refer to the Directors' and Strategic Reports.

The Company primarily adopts the Group's Enterprise-wide Risk Policy within the Enterprise-wide Risk Management ("ERM") program, whose objective includes identifying and managing market risk exposures within the policy limits in the context of the Group's overall business model, while supporting sustainable earnings growth.

As part of the Company's risk governance framework, the "three lines of defense" approach to risk management has been implemented. More details are given in the Opportunity and Risk section of the Statement of Corporate Governance Arrangements.

(b) Capital management

The Company manages its capital within the guidelines set by the Board of Directors and the Audit and Finance Committee. As an authorised payment institution, the Company is required to maintain capital levels which exceed a prescribed level of minimum capital, as required by the Payment Services Regulations 2017.

The Company has an FCA minimum capital requirement for the year of £17.5m which is considerably lower than the capital levels it maintains. Capital monitoring processes are in place to ensure the Company exceeds the minimum capital requirement at all times. The Company is also required to undertake daily safeguarding of relevant funds.

The Company's capital is managed to ensure adherence to its minimum capital requirement as a payment institution in addition to ensuring that it will be able to support the business' objectives and continue as a going concern. In order to support these objectives, the capital structure of the Company is monitored on a monthly basis. The capital structure of the Company consists of debt, which includes the borrowings disclosed in Note 21, cash at bank and in hand disclosed in Note 18 and amounts attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings as disclosed in Note 25 and the Statement of Changes in Equity.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk

Market risk is the risk to the Company's current or projected financial condition, or the value of asset and liability values resulting from changes in market risk factors like interest rates, asset prices, or foreign exchange rates. The Company's market risk exposures include:

- Interest rate risk due to changes in the relationship between the interest rates on the Company's assets such as loans and receivables and the interest rates on the Company's liabilities such as debt and deposits; and
- Foreign exchange risk related to transactions funding, earnings, and investments in currencies other than the Company's functional currency in its operations outside the UK.

The American Express Finance Risk committee, co-chaired by the Chief Financial Officer and Head of Financial Risk Management of American Express, approves the Group market risk management policy and oversees the management of market risk in adherence with the requirements of the policy.

The American Express Asset Liability Committee oversees the effective implementation of the Group market risk management policy through the establishment of adequate strategies, processes and procedures to manage market risk within established risk appetite.

(i) Interest rate risk management

The Company has both interest bearing assets and interest bearing liabilities. Interest bearing assets are primarily cash, intercompany loans and Cardmember loans and receivables. The Company manages its interest rate exposure through its intercompany debt at both fixed and short term rates, consistent with its business operations and Enterprise-wide Market and Liquidity Risk Policies.

Residual interest rate exposure within the Company's charge card and lending products along with the exposure from 'Loans due to/from Group undertakings' is managed at a Group level by varying the proportion of total funding provided by variable-rate debt and deposits compared to fixed-rate debt and deposits. The Group may change the mix between variable-rate and fixed-rate funding based on changes in business volumes and mix, among other factors.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025
4. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)
(i) Interest rate sensitivity
The sensitivity analysis is a measure of the potential change in net interest income over the prior financial year and held constant throughout the reporting period. A 100bps basis point change is used when assessing interest rate risk and represents management's assessment of the possible change in interest rates and the potential impact to earnings. This effect is calculated by applying a 1% (100bps) instantaneous shift up or down on base interest rates across every currency interest rate for intercompany loans and bank balances. Prior period comparatives (which previously included the impact of interest on the fair value adjustment expense related to the sale of receivables) have been restated on a consistent basis with the 2025 disclosure.

For the year ended 31 December, if base interest rates had been 1% (100 bps) higher or lower across each currency:

	2025		Restated 2024	
	1% higher £000	**1% lower £000**	1% higher £000	1% lower £000
Impact on profit before taxes	**1,643**	**(1,643)**	2,798	(2,798)
Impact on profit after taxes	**1,232**	**(1,232)**	2,098	(2,098)

(ii) Foreign currency risk management
Foreign exchange exposures arise in four principal ways: (1) Cardmember spending in currencies that are not the billing currency; (2) cross-currency transactions and balances from funding activities; (3) cross-currency investing activities, such as in the equity of foreign subsidiaries; and (4) revenues generated and expenses incurred in foreign currencies, which impact earnings.

The Company's foreign exchange risk is managed primarily by entering into foreign exchange spot transactions or hedged using foreign exchange forward contracts. These contracts are only entered into when the hedge costs are economically justified and are in notional amounts designed to offset pre-tax impacts from currency movements in the period in which they occur.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)
(ii) Foreign currency risk management (continued)

The table below shows the net foreign exchange positions of the Company by major non-sterling currencies as at the Balance Sheet date.

	US Dollars £000	Euro £000	Other £000	Total £000
2025				
FINANCIAL ASSETS				
Cash at bank and in hand	1,135	6,506	226	**7,867**
Debtors:				
- Cardmember receivables	—	24,361	—	**24,361**
- Receivables from Group undertakings	473	50,581	—	**51,054**
- Other debtors	1,084	748	8	**1,840**
Loans:				
- Loans due from Group undertakings	—	1,609,175	—	**1,609,175**
- Loans to related parties	—	15	—	**15**
TOTAL FINANCIAL ASSETS	**2,692**	**1,691,386**	**234**	**1,694,312**
FINANCIAL LIABILITIES				
Trade and other creditors	13,302	16,387	57	**29,746**
Amounts due to Group undertakings	—	3	43	**46**
Accruals	22,990	11,302	—	**34,292**
Borrowings:				
- Loans due to Group undertakings	—	1,543	—	**1,543**
TOTAL FINANCIAL LIABILITIES	**36,292**	**29,235**	**100**	**65,627**
Total	**(33,600)**	**1,662,151**	**134**	**1,628,685**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)
(ii) Foreign currency risk management **(continued)**

	US Dollars £000	Euro £000	Other £000	Total £000
2024				
FINANCIAL ASSETS				
Cash at bank and in hand	2,750	6,945	539	**10,234**
Debtors:				
- Cardmember receivables	—	27,559	—	**27,559**
- Receivables from Group undertakings	3,425	59,245	1,738	**64,408**
- Other debtors	603	935	45	**1,583**
Loans:				
- Loans due from Group undertakings	—	1,325,194	—	**1,325,194**
- Loans to related parties	—	8	—	**8**
TOTAL FINANCIAL ASSETS	**6,778**	**1,419,886**	**2,322**	**1,428,986**
FINANCIAL LIABILITIES				
Trade and other creditors	11,106	8,728	25	**19,859**
Amounts due to Group undertakings	—	252	—	**252**
Accruals	20,035	10,247	—	**30,282**
Borrowings:				
- Loans due to Group undertakings	—	41,758	—	**41,758**
TOTAL FINANCIAL LIABILITIES	**31,141**	**60,985**	**25**	**92,151**
Total	**(24,363)**	**1,358,901**	**2,297**	**1,336,835**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(c) Market risk (continued)

(iii) Foreign currency sensitivity

All transactional foreign exchange gains or losses are borne by a related Group entity, including foreign exchange gains or losses on loans to or from other Group entities.

The Company's Germany branch remits its profits (if any) to the UK parent on a monthly basis. The Company's Italian branch remits profits annually and as a result will have net assets subject to foreign currency sensitivity impacting other equity when translated into the functional currency of the Company.

The Company continues to enter into derivative forward foreign exchange contracts designated as net investment hedges to manage the Company's exposure to foreign exchange translation of the net assets within its Italian branch. As a result, there is limited foreign exchange exposure to the Company recorded in other comprehensive income. Residual reported translation movements represent the under hedged position in relation to the Company's Italian branch, where flexing for any significant change in foreign exchange rate will have in an immaterial impact to the Company's overall hedging position. Any translation gain movements caused by changes in foreign exchange rates impacting the Company's under hedged position are considered to be of limited risk.

(d) Credit risk management

Credit risk is defined as the risk to current or projected financial condition arising from an obligor's failure to meet the terms of any contract with the company or otherwise perform as agreed. Credit risks in the Company are divided into two broad categories: consumer and small business, and commercial. Each category has distinct risk management capabilities, strategies and tools. Business units that create individual or commercial credit risk exposures of significant importance are supported by dedicated risk management teams, each led by a Chief Credit Officer.

(i) Individual credit risk

The Company defines individual credit risk as the risk of loss to the Company due to non-payment of an amount contractually owed to the Company by an individual, whether acting as an individual or on behalf of their small business.

Consumer and small business credit risk arises from consumer and small business Cardmember loans and receivables, and term loans. These portfolios consist of millions of customers across multiple industries and levels of net worth. The Company benefits from the high-quality credit profile of its customers, which is driven by brand, premium customer servicing, product features and risk management capabilities which span underwriting, customer management and collections. Externally, the risk in these portfolios is generally correlated with broad economic trends, such as unemployment rates and GDP growth. A customer's ability and willingness to repay the Company can be negatively impacted not only by economic, market, political and social conditions but also by a customer's other payment obligations, and increasing leverage can result in a higher risk that customers will default or become delinquent in their obligations to the Company.

The Company adheres to the Enterprise Individual Credit Risk Management Policy, which assigns key governance responsibilities, prescribes rules for escalating risks and sets forth the Company's guidelines for measuring, assessing, and reporting individual credit risk.

Business unit leaders and Chief Credit Officers take the lead in managing the credit risk process. These Chief Credit Officers are guided by the Credit Risk Management Committee at a Group level, which oversees the implementation and enforcement of the global credit risk management policy and is co-chaired by the American Express Chief Credit Officer and the American Express Head of Financial Risk Management. Individual credit risk management across prospecting, approvals, collections and fraud prevention is supported by sophisticated proprietary scoring and decision-making models that use up-to-date information on prospects and customers, such as spending and payment history and data feeds from credit bureaus.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025
4. FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk management (continued)

(i) Individual credit risk (continued)

The Company has developed data-driven economic decision logic for customer interactions to better serve its customers. The majority of the Company's overall exposure to individual credit risk related to Cardmember loans and receivables at a point in time is mitigated by the sale of Cardmember loans and receivables to a related party, and the short term nature of the Cardmember receivables arising from Charge products.

(ii) Commercial credit risk

Commercial credit risk represents 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.

In addition to the consumer and small business credit risk, financial difficulties associated with the corporates engaged can also indirectly contribute to the credit risk attached to the commercial charge cards.

Unlike consumer and small business credit risk, commercial credit risk is characterised by a lower loss frequency but higher severity. It is affected both by general economic conditions and by client-specific events. The absence of large losses in any given year or over several years is not necessarily representative of the level of risk of commercial portfolios, given the infrequency of loss events in such portfolios.

The Company adheres to the Enterprise Commercial Credit Risk Policy which details its approach to managing commercial credit risk and assigns key governance responsibilities, prescribes rules for escalating risks, and sets forth American Express guidelines for measuring, assessing, and reporting commercial credit risk.

Similar to consumer and small business credit risk, business units taking commercial credit risks are supported by embedded Enterprise-wide Chief Credit Officers. These officers a're responsible for the implementation and enforcement of the Enterprise Commercial Credit Risk Management Policy and for providing guidance to each business unit with substantial commercial credit risk exposures.

Cardmember loans and receivables are sold for funding purposes. This business model has the primary objective of realising cash flow through the sale of the financial assets, and also mitigates the exposure to commercial credit risk.

The Company also has various intercompany loans both to and from other Group entities. These facilities, and amounts drawn, are centrally managed by Treasury. The level of credit risk attached to intercompany positions is limited, given that all entities are part of the same financially strong group. A letter has been secured from American Express Company to express its intention to support the Company's liquidity position and maintain its safe and sound operations for the thirteen months following the signing of these financial statements.

(iii) Significant credit concentration and credit quality

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Company's total credit exposure. The Company's customers operate in diverse industries, economic sectors and geographic regions. The maximum exposure to credit risk for debtors, derivative financial instruments and related party loans equals their carrying amount.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(d) Credit risk management *(continued)*

(iii) Significant credit concentration and credit quality (continued)

The maximum exposure to credit risk for Cardmember loans and Cardmember receivables with a pre-set spending limit equals the balance outstanding at year end (see table below) plus the undrawn committed facilities (disclosed in Note 27 - Commitments).

With the exception of Cardmember loans, the following table represents the Company's maximum credit exposure (therefore excluding debtor categories that have no credit risk) by type of customer or counterparty, including the credit exposure associated with derivative financial instruments, at 31 December:

	2025	2024
	£000	£000
Cash and deposits with regulated financial institutions	**10,432**	77,070
Cardmember receivables	**223,366**	284,492
Cardmember loans	**69,860**	408,017
All other financial assets	**3,139,423**	2,433,783

As disclosed in the table above, at 31 December 2025 the Company's most significant concentration of credit risk was with institutions included within other financial assets. These mainly comprise loans and amounts due from other Group companies and the Company is not exposed to any significant credit risk on these balances.

Cardmember loans and Cardmember receivables disclosed above include the Cardmember loans and Cardmember receivables carried at fair value amounting to £69.9m (2024: £408.0m) and £198.7m (2024: £256.8m) respectively. The majority of the Company's exposure is mitigated by the sale of Cardmember loans and Cardmember receivables to a related party.

Cardmember loans and Cardmember receivables on 'individual' accounts are generally advanced on an unsecured basis. However, the Company reviews each potential customer's credit application and evaluates the applicant's financial history and ability and willingness to repay. The Company also considers credit performance by customer tenure, industry and geographic location in managing credit exposure. Information on credit quality is given in the relevant notes to the financial statements including Note 17.

(e) Expected Credit Loss ("ECL") measurement

The Company determines the "stage" of the major financial assets based on the criteria below, and measures the expected credit losses on its financial instruments with inputs discussed in the following sections. The expected credit losses calculated in this way in respect of the unfunded commitment are used as a proxy for the fair value of the undrawn commitments as disclosed in Note 15.

In cases where a models-based methodology is deployed, the Company uses the rebuttable presumption "backstop" provided in IFRS 9; that is, accounts that are current are assigned to Stage 1, accounts that are 30 days past due but less than 90 days past due are assigned Stage 2, and accounts that are 90 days past due or credit impaired are assigned Stage 3.

In addition to the "backstop" used for Stage 2 pre-set spending limit accounts, the Company also uses a quantitative methodology based on probability of default to determine assets that have experienced a significant increase in credit risk prior to payment delinquency. Assets that have experienced a significant increase in credit risk are classified in Stage 2, even if they are not yet 30 days past due in payment.

In some cases, where insufficient historical data is available and portfolio sizes are small, models cannot be deployed. However, to compute ECL as near to the IFRS 9 method as possible the Company has decided to deploy simpler and non-econometric models.

4. FINANCIAL RISK MANAGEMENT (continued)

(e) Expected Credit Loss ("ECL") measurement (continued)

The Company has not used the low credit risk practical expedient for any financial asset as of 31 December 2025.

(i) Significant increase in Credit Risk
The criteria for determining whether a financial instrument has experienced a significant increase in credit risk since initial recognition varies by financial asset, and includes both qualitative and quantitative factors. The majority of the Company's overall exposure to credit risk is mitigated by the sale of Cardmember loans and receivables to a related party.

Cardmember receivables with no pre-set spending limit
The Company considers that credit risk has increased significantly when the account is more than 30 days past due. The increased risk is due to the fact that, given the nature of Charge products, Cardmembers are expected to pay down their balance in full at each billing cycle.

Cardmember loans and receivables with a pre-set spending limit
An account is assigned to Stage 2 if the 39 month Comprehensive Capital Analysis and Review ("CCAR") probability of default ("PD") in the reporting month has increased more than a threshold amount, compared to the 39 month CCAR PD assessed at origination.

Where the simpler and non-econometric models are deployed, the Company considers that credit risk has increased significantly when the account is more than 30 days past due.

The probability of default increase threshold is approximated by the mean plus one standard deviation of the absolute change in probability of default for each risk group (segmented by market, product and account tenure). This calculation is used as a proxy for the relative approach required under IFRS 9.

(ii) Definition of default
Cardmember receivables and Cardmember loans
The Company considers an account to be in default when it is more than 90 days past due, or in the event of credit cancellation due to credit reasons.

(iii) Measurement of Expected Credit Losses
Cardmember loans and receivables
Under the IFRS 9 expected credit loss model, the Company uses a sophisticated approach to incorporate past events, current conditions, and future economic conditions. The process of estimating 12-month and lifetime credit reserves involves account level risk-based inputs, which includes the following key variables: probability of default, exposure at default, and loss given default:

- Probability of default models are used to estimate an account's conditional probability of default and its unconditional probability of default. Conditional probability of default is the likelihood an account will write-off, attrite or neither in each month of the forecast. Unconditional probability of default is the cumulative likelihood an account will write-off within a certain forecast period;
- Exposure at default models are used to estimate an account's balance before defaulting; and
- Loss given default is the final output of the expected credit loss model for all accounts in the portfolio. Loss given default is the final component needed to project net write offs. It is equal to the projected gross write offs minus expected recoveries. Recoveries are the amounts received from Cardmembers after default occurs, typically as a result of collection efforts. The amount of recoveries available to be recouped is a function of the size of the past gross write-off.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(e) Expected Credit Loss ("ECL") measurement (continued)
(iii) Measurement of Expected Credit Losses (continued)
Where insufficient historical data exists, the Company uses a simplified method for the non-model tools that utilises loss rates and roll rate method along with the reserve for cards having pre-set limit within these portfolios. The non-model tools project incurred gross write-offs and recoveries for lending products and charge products with a pre-set spending limit only, and apply a tail adjustment beyond the incurred loss period to measure lifetime ECLs on assets classified in Stage 2 and Stage 3.

While there has been no significant change made to the estimation techniques and significant assumptions made during the reporting period, management have also given consideration to the inclusion of qualitative reserves to cover losses that are expected but, in management's assessment may not be adequately represented in the quantitative methods or economic assumptions.

(iv) Forward-looking information
Cardmember loans and receivables
The Company has defined the "reasonable and supportable" forward-looking period to be 39 months, and explicitly considers macro-economic forward-looking information for this period. All other forward-looking information will be included in current models or addressed via a qualitative reserve.

The Company usually considers three possible economic scenarios when incorporating forward looking information into the estimation of expected credit losses, a "baseline", an "optimistic" and a "pessimistic" scenario. Each economic scenario is weighted based on probabilities obtained from independent rating agencies. Management reviews these economic scenarios and applies judgement to weight them in order to reflect uncertainty surrounding these scenarios. These macroeconomic scenarios contain certain variables, including unemployment rates and real gross domestic product, that are significant to the models. The multiple macroeconomic variables will be used for two purposes: 1) to determine the stages of assets based on the weighted average probability of default prior to expected credit loss measurement; and 2) to derive the weighted average probability of default, exposure at default and loss given default scores as the key inputs for the expected credit loss measurement. For the measurement of expected credit losses as of 31 December 2025, the Company has weighted 20% to the optimistic scenario, 60% to the baseline scenario and 20% to the pessimistic scenario.

The following table reflects the range of UK unemployment rates in the macroeconomic scenarios used for the measurement of expected credit losses as of 31 December 2025:

	31 December 2025
UK Unemployment Rate	
Fourth quarter of 2025	4.78% - 4.86%
First quarter of 2026	4.53% - 5.30%
Second quarter of 2026	4.44% - 6.01%
Third quarter of 2026	4.30% - 6.47%
Fourth quarter of 2026	4.21% - 6.92%
Fourth quarter of 2027	4.01% - 7.62%
Fourth quarter of 2028	4.05% - 7.57%

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)

(f) Liquidity risk management

Funding & liquidity risk is defined as the risk to Company's current or projected financial condition arising from an inability of the Company to meet its expected and unexpected current and future financial business obligations at a reasonable cost when they become due.

At an Enterprise level the Finance Risk Committee reviews and approves liquidity stress testing assumptions quarterly and scenarios annually. The Enterprise Finance Risk Committee also approves the Enterprise contingent funding plan as well as the funds transfer pricing framework.

The Enterprise Asset Liability Committee oversees the effective implementation of the liquidity risk management policy (at the Group level) through the establishment of strategies, processes and procedures to manage liquidity risk within our established risk appetite including the annual approval funding plan and reviewing outcomes of liquidity stress testing, liquidity coverage ratio, and net stable funding ratio and adjusting funding and liquidity strategies accordingly to ensure continued alignment with the our risk appetite

To manage liquidity risk, the Group seeks to maintain 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 financing obligations for at least a twelve-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 Company understands that the Group will maintain access to these diverse liquidity sources, which are available to the Company. The sources will be maintained in amounts sufficient to meet the Company's business requirements and expected future financial obligations for a period of at least twelve months in the event the Company is unable to raise new funds under its regular funding programmes during a substantial weakening in economic conditions. The Company actively maintains a mixture of sustainable long-term and short-term finance that is designed to ensure that it has sufficient available funds for business continuity.

The Audit and Finance Committee and 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. This includes an annual overview of the Company's access to existing internal lines of credit from Group entities.

In addition, the Company performs annual liquidity stress testing at a Company level (base and severe scenarios) to support business continuity assumptions.

While the Company is perceived to carry little in the way of liquidity risk, management have secured a letter from American Express Company which expresses its intention to support the Company's liquidity position and maintain its safe and sound operations for the thirteen months from the date of signing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

4. FINANCIAL RISK MANAGEMENT (continued)
(f) Liquidity risk management (continued)

Liquidity Risk

The following table details the Company's remaining contractual maturity for its non-derivative and derivative financial liabilities. The tables below have been drawn up based on the undiscounted contractual maturities of the financial liabilities. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which the Company can be required to pay.

2025	On Demand £000	Up to 1 month £000	1 to 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
LIABILITIES							
Trade and other payables (Note 19 & 20)	—	152,904	95,512	8,777	51,762	8,546	**317,501**
Amounts due to group undertakings	—	8,565	—	—	—	—	**8,565**
Accruals	—	277,513	—	—	—	—	**277,513**
Derivative financial instruments	—	13,675	3,712	72	—	—	**17,459**
Borrowings:							
- Loans due to Group undertakings	1,519,094	—	—	1,543	—	—	**1,520,637**
Financial Liabilities	**1,519,094**	**452,657**	**99,224**	**10,392**	**51,762**	**8,546**	**2,141,675**
Other Financial and Non-Financial Liabilities							**495,891**
TOTAL LIABILITIES							**2,637,566**

2024	On Demand £000	Up to 1 month £000	1 to 3 months £000	3 to 12 months £000	1 to 5 years £000	Over 5 years £000	Total £000
LIABILITIES							
Trade and other payables (Note 19 & 20)	—	137,573	93,334	8,045	45,082	17,514	**301,548**
Amounts due to group undertakings	—	10,004	—	—	—	—	**10,004**
Accruals	—	235,730	—	—	—	—	**235,730**
Derivative financial instruments	—	1,177	1,875	245	—	—	**3,297**
Borrowings:							
- Loans due to Group undertakings	1,483,217	—	—	—	41,758	—	**1,524,975**
Financial Liabilities	**1,483,217**	**384,484**	**95,209**	**8,290**	**86,840**	**17,514**	**2,075,554**
Other Financial and Non-Financial Liabilities							**395,513**
TOTAL LIABILITIES							**2,471,067**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

5. TURNOVER

Turnover comprises revenue derived from Cardmember spending, card fees including delinquency fees, and interest received on Cardmember loans classified as FVTPL of £1,895.9m (2024: £1,736.7m) and revenue from services to other Group companies of £632.8m (2024: £556.6m). Where UK card issuing profitability requires the payment of a royalty, these amounts are net of a trademark royalty payable to another Group company. No royalty was payable in 2025 or 2024.

6. SEGMENTAL REPORTING

Turnover by territory or region is as follows:

	Turnover	
	2025	2024
	£000	£000
UK	**2,519,214**	2,283,331
Italy	**9,508**	9,944
	2,528,722	2,293,275

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

7. PROFIT BEFORE TAXATION

		2025 £000	2024 £000
Profit before taxation is stated after charging/(crediting):			
Fees payable to the Company's auditors for the audit of the Company's annual financial statements		**1,094**	1,042
Fees payable to the Company's auditors and its associates for:			
- Services to the American Express UK Pension Plan Trustees		**32**	32
- Services pursuant to legislation		**9**	9
- Other services		**4**	4
Loss on derivative financial instruments		**—**	7
Depreciation of tangible assets		**14,542**	14,826
Depreciation of right of use assets		**10,916**	9,215
Loss on disposal of tangible assets		**81**	113
Cardmember rewards and benefits		**910,384**	754,806
Net fair value loss on financial assets/liabilities mandatorily measured at fair value through profit or loss [(a)]		**448,086**	472,406
Loss/ (Gain) on net investment hedge in relation to non-consolidated subsidiaries		**6,008**	(11,157)
Impairment of Cardmember receivables [(b)]		**2,418**	2,556
Impairment of Cardmember loans [(b)]		**8,769**	8,194
Operating lease rentals	- Land and buildings	**1,788**	5,001
	- Others	**216**	199

Administrative expenses include staff costs, Cardmember rewards and benefits expense, fair value loss on financial assets classified as FVTPL, impairment of Cardmember loans and receivables, marketing and other administrative expenses.

[(a)]This expense relates to the fair value loss in respect of Cardmember loans and receivables (see Note 15).

[(b)]Expense primarily consists of fraud loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

8. STAFF COSTS

	2025 £000	2024 £000
Wages and salaries	**362,702**	332,162
Other employee benefits	**12,526**	13,078
Social security costs	**59,318**	47,087
Other pension costs	**43,503**	55,694
Stock compensation expense	**26,615**	23,911
	504,664	471,932

Included within staff costs is an amount of £5.1m (2024: £8.4m) related to restructuring expenses.

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

	2025 Number	2024 Number
Sales and marketing	**971**	894
Customer servicing	**1,353**	1,441
Technologies development and support	**908**	817
Other support groups	**1,002**	950
	4,234	4,102

(a) Stock Options

Each stock option has an exercise price equal to the market price of American Express Company's common stock on the grant date and a contractual term of 10 years from the date of grant. Stock options generally vest on the third anniversary.

17,763 stock options were outstanding at 31 December 2025 (2024: 9,909). No stock options were exercised during 2025 (2024: 4,000). The 2024 options were exercised at a weighted average exercise price of USD 200.74.

The following information applies to options outstanding at the end of each year:

	31 December 2025			31 December 2024		
Range of exercise prices	**Weighted average exercise price**	**Number of options**	**Weighted average remaining contractual life / Years**	Weighted average exercise price	Number of options	Weighted average remaining contractual life / Years
$40.01-$200.74	-	-	-	$200.74	9,909	9.08
$200.74-$315.25	$251.37	17,763	8.52	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

8. STAFF COSTS

b) Restricted stock awards and units

An RSU grant 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 ratably 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 American Express Company's 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 2025, the total outstanding RSUs are expected to vest over a weighted average period of 1.09 years (2024: 0.95 years).

As at 31 December 2025 there were 371,240 (2024: 371,457) RSUs outstanding. During 2025, 158,830 (2024: 158,855) RSUs vested with a weighted average grant price of USD 167.35 each (2024: USD 127.34).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION

	2025 £000	2024 £000
Emoluments	**2,149**	2,241
Amounts receivable under long term incentive schemes	**995**	737
Pension costs	**59**	51
	3,203	3,029

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

	2025 No.	2024 No.
Money purchase schemes	**7**	7

During the year, eight Directors (2024: eight) 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 remuneration was earned by the highest paid Director:

	2025 £000	2024 £000
Emoluments including receivable under long term incentive scheme	**1,301**	956
Pension costs	**9**	10
	1,310	966

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

10. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025 £000	2024 £000
Interest earned from Group undertakings	**38,235**	48,592
Other interest receivable	**780**	4,591
	39,015	53,183

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2025 £000	2024 £000
Interest payable to Group undertakings	**50,773**	63,855
Other interest payable	**2,219**	1,038
	52,992	64,893

12. TAX ON PROFIT

	2025 £000	2024 £000
Profit before taxation	**66,943**	73,186
Tax charge on profit at effective rate 25% (2024: 25%)	**16,736**	18,297
Adjusted for the effects of:		
Non-deductible expenses	**2,033**	(2,067)
Tax rate changes	—	—
Effect of overseas tax rate changes - Italy	**1,446**	2,074
Adjustment in respect of prior years	**804**	506
Others	**(77)**	(69)
Unrelieved foreign tax not previously recognised	—	—
Net deferred tax asset not previously recognised	**(2,032)**	(6,373)
Share-based payments net tax deduction	**956**	(257)
Total tax charge on profit	**19,866**	12,111

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

12. TAX ON PROFIT (continued)	2025 £000	2024 £000
Current income tax		
UK tax		
Current income tax	**13,638**	9,508
Adjustment in respect of prior years	**(750)**	(8,999)
Less: relief for overseas tax	**(4,125)**	(3,212)
	8,763	(2,703)
Overseas tax		
Current income tax	**4,125**	3,212
Adjustment in respect of prior years	**(8,335)**	(5,840)
Total current tax	**4,553**	(5,331)
Deferred tax		
UK tax		
Origination and reversal of temporary differences	**3,980**	24
Adjustment in respect of prior years	**282**	8,599
Impact of change in tax rate	**—**	—
	4,262	8,623
Overseas tax		
Origination and reversal of temporary differences	**1,445**	2,073
Adjustment in respect of prior years	**9,606**	6,746
Total deferred tax	**15,313**	17,442
Income tax expense	**19,866**	12,111

Taxation on items not (credited) / charged to the Income Statement	2025 £000	2024 £000
Current tax credit		
Tax deduction on share options / awards in excess of expense recognised	**(4,564)**	(2,474)
Adjustment in respect of prior years	**(45)**	3
Deferred tax charge / (credit)	**—**	
Tax deduction on share options / awards in excess of expense recognised	**(773)**	(6,302)
Impact of change in tax rate	**—**	—
Total	**(5,382)**	(8,773)

Factors affecting the tax charge for the year:
The deferred tax has been calculated at the UK statutory tax rate of 25%. The Company has an unrecognised deferred tax asset of £3.8m (2024: £3.7m) relating to temporary differences in its overseas branches.

Pillar Two legislation has been enacted in the United Kingdom, effective January 1, 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 2025 related to Pillar Two income taxes (2024: $Nil).

The Company has applied the mandatory exception included within IAS12 to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two taxes.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

12. TAX ON PROFIT (continued)

Deferred tax

UK

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

	Tangible Assets	Share-based payments	Other temporary differences	Offset to overseas deferred tax	Total
	£000	£000	£000	£000	£000
As at 1 January 2025	27,526	22,033	2,696	(6,404)	45,851
Credit/(Debit) to Income Statement	(5,489)	591	(1,113)	2,031	(3,980)
Credit to Equity	—	773	—	—	773
Adjustment in respect of prior years through Income Statement	(649)	—	367	—	(282)
As at 31 December 2025	**21,388**	**23,397**	**1,950**	**(4,373)**	**42,362**

	Tangible Assets	Share-based payments	Other temporary differences	Offset to overseas deferred tax	Total
	£000	£000	£000	£000	£000
As at 1 January 2024	43,922	13,549	3,478	(12,777)	48,172
Credit/(Debit) to Income Statement	(7,519)	2,182	(1,060)	6,373	(24)
Credit to Equity	—	6,302	—	—	6,302
Adjustment in respect of prior years through Income Statement	(8,877)	—	278	—	(8,599)
Tax rate change to Income Statement	—	—	—	—	—
Tax rate change to Equity	—	—	—	—	—
As at 31 December 2024	**27,526**	**22,033**	**2,696**	**(6,404)**	**45,851**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

12. TAX ON PROFIT (continued)

Deferred tax (continued)

Italy

	Provision for credit losses	Other temporary differences	Tax losses	Total
	£000	£000	£000	£000
At 1 January 2025	11,652	188	21,627	33,467
Revaluation of opening balance	566	4	1,051	1,621
Adjustment for prior years through Income Statement	—	(112)	(9,494)	(9,606)
Credit/(Debit) to Income Statement	—	(1)	(1,444)	(1,445)
At 31 December 2025	**12,218**	**79**	**11,740**	**24,037**

	Provision for credit losses	Other temporary differences	Tax losses	Total
	£000	£000	£000	£000
At 1 January 2024	22,643	248	21,395	44,286
Revaluation of opening balance	(1,025)	(7)	(968)	(2,000)
Adjustment for prior years through Income Statement	—	(55)	(6,691)	(6,746)
Credit/(Debit) to Income Statement	(9,966)	2	7,891	(2,073)
At 31 December 2024	**11,652**	**188**	**21,627**	**33,467**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

13. TANGIBLE ASSETS

	Leasehold improvements £000	Furniture and fittings £000	Plant and machinery £000	Assets in course of construction £000	Right of use Assets £000	Total £000
Cost:						
At 1 January 2025	111,356	16,555	39,177	7,193	107,587	281,868
Exchange differences	4	127	164	13	607	915
Net transfers from other Group companies	—	—	—	53	—	53
Additions	399	424	7,840	5,911	8,605	23,179
Transfers	6,484	—	—	(6,484)	—	—
Disposals	—	(113)	(3,669)	—	—	(3,782)
At 31 December 2025	**118,243**	**16,993**	**43,512**	**6,686**	**116,799**	**302,233**
Accumulated depreciation:						
At 1 January 2025	68,494	11,139	28,125	—	48,440	156,198
Exchange differences	2	123	125	—	533	783
Net transfers from other Group companies	—	—	—	—	—	—
Charge for the year	7,460	891	6,191	—	10,916	25,458
Disposals	—	(56)	(3,666)	—	—	(3,722)
At 31 December 2025	**75,956**	**12,097**	**30,775**	—	**59,889**	**178,717**
Net book value:						
At 31 December 2025	**42,287**	**4,896**	**12,737**	**6,686**	**56,910**	**123,516**
At 31 December 2024	42,862	5,416	11,052	7,193	59,147	125,670

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

14. INVESTMENTS

Investments comprise of the Company's wholly owned subsidiaries, American Express Italia s.r.l., American Express de Espana S.A. and American Express Europe S.A.

Investment in Subsidiaries

	2025	2024
	£000	£000
Investments, at cost and net book value:		
At 1 January and 31 December	**140,768**	140,768

Undertaking	Percentage of shares held	Description of shares held	Principal activity	Office address
American Express Italia s.r.l.	100%	Ordinary	Trading Company	Viale Alexander Gustave Eiffel 15, 00148, Rome, Italy
American Express de Espana S.A.	100%	Ordinary	Holding Company	Avenida del Partenon, 12-14, Campo de las Naciones, Madrid, 28042
American Express Europe S.A.	54%	Ordinary	Trading Company	Avenida del Partenon, 12-14, Campo de las Naciones, Madrid, 28042

The percentage of shares held reflects the position at both 31 December 2025 and 31 December 2024.

American Express Europe S.A. is a wholly owned subsidiary of the Company by virtue of the remaining 46% of its shares being owned by American Express de Espana S.A.

American Express Services Europe Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

15. CLASSIFICATION OF FINANCIAL INSTRUMENTS

As at 31 December 2025	Amortised Cost £000	Financial assets at fair value through Profit and Loss Account £000	Total £000
ASSETS			
Cash at bank and in hand	10,432	—	10,432
Debtors:			
- Cardmember receivables	24,672	198,694	223,366
- Receivables from Group undertakings	1,513,679	—	1,513,679
- Other debtors	6,379	—	6,379
Derivative financial instruments	—	10,162	10,162
Loans:			
- Cardmember loans	—	69,860	69,860
- Loans due from Group undertakings	1,609,175	—	1,609,175
- Loans to related parties	28	—	28
Financial Assets	**3,164,365**	**278,716**	**3,443,081**
Other Financial and Non-Financial Assets			**509,757**
Total Assets			**3,952,838**

As at 31 December 2025	Amortised Cost £000	Financial liabilities measured through Profit and Loss Account £000	Total £000
LIABILITIES			
Trade and other payables:			
- Trade creditors	83,959	—	83,959
- Amounts due to Group undertakings	8,565	—	8,565
- Other creditors	140,437	93,105	233,542
Accruals	277,513	—	277,513
Borrowings:			
- Loans due to Group undertakings	1,520,637	—	1,520,637
Derivative financial instruments	—	17,459	17,459
Financial Liabilities	**2,031,111**	**110,564**	**2,141,675**
Other Financial and Non-Financial Liabilities			**495,891**
Total Liabilities			**2,637,566**
Equity			**1,315,272**
Total Liabilities and Equity			**3,952,838**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

15. CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

As at 31 December 2024	Amortised Cost	Financial assets at fair value through Profit and Loss Account	Total
	£000	£000	£000
ASSETS			
Cash at bank and in hand	77,070	—	77,070
Debtors:			
- Cardmember receivables	27,739	256,753	284,492
- Receivables from Group undertakings	1,069,478	—	1,069,478
- Other debtors	5,351	—	5,351
Derivative financial instruments	—	33,714	33,714
Loans:			
- Cardmember loans	—	408,017	408,017
- Loans due from Group undertakings	1,325,194	—	1,325,194
- Loans to related parties	46	—	46
Financial Assets	**2,504,878**	**698,484**	**3,203,362**
Other Financial and Non-Financial Assets			**533,003**
Total Assets			**3,736,365**

As at 31 December 2024	Amortised Cost	Financial liabilities at fair value through Profit and Loss Account	Total
	£000	£000	£000
LIABILITIES			
Trade and other payables:			
- Trade creditors	81,148	—	81,148
- Amounts due to Group undertakings	10,004	—	10,004
- Other creditors	134,065	86,335	220,400
Accruals	235,730	—	235,730
Borrowings:			
- Loans due to Group undertakings	1,524,975	—	1,524,975
Derivative financial instruments	—	3,297	3,297
Financial Liabilities	**1,985,922**	**89,632**	**2,075,554**
Other Financial and Non-Financial Liabilities			**395,513**
Total Liabilities			**2,471,067**
Equity			**1,265,298**
Total Liabilities and Equity			**3,736,365**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

15. CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

The table below presents the Company's financial assets and liabilities that are measured at fair value at 31 December 2025 and 2024, by valuation method. The different levels have been defined as follows:

- Level 1 – inputs that are quoted prices (unadjusted) for identical assets or liabilities in active markets (such as publicly traded derivatives, and equity securities);
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) for example over-the-counter derivatives; and
- Level 3 – inputs that are unobservable and reflect the Company's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances (e.g. internally derived assumptions surrounding the timing and amount of expected cash flows).

There were no transfers between levels in the year. The movement in fair value in the year in relation to the effective portion of net investment hedges has been taken to other comprehensive expense. The movement in fair value in the year for all other assets and liabilities has been taken to administrative expenses.

As at 31 December 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Assets				
Derivative financial assets				
- Forward foreign exchange contracts	—	10,162	—	10,162
Financial assets at fair value through profit or loss				
- Cardmember receivables	—	—	198,694	198,694
- Cardmember loans	—	—	69,860	69,860
Total assets	**—**	**10,162**	**268,554**	**278,716**
Liabilities				
Derivative financial liabilities				
- Forward foreign exchange contracts	—	17,459	—	17,459
Fair value of undrawn commitments	—	—	93,105	93,105
Total liabilities	**—**	**17,459**	**93,105**	**110,564**
As at 31 December 2024				
Assets				
Derivative financial assets				
- Forward foreign exchange contracts	—	33,714	—	33,714
Financial assets at fair value through profit or loss				
- Cardmember receivables	—	—	256,753	256,753
- Cardmember loans	—	—	408,017	408,017
Total assets	**—**	**33,714**	**664,770**	**698,484**
Liabilities				
Derivative financial liabilities				
- Forward foreign exchange contracts	—	3,297	—	3,297
Fair value of undrawn commitments	—	—	86,335	86,335
Total liabilities	**—**	**3,297**	**86,335**	**89,632**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

15. CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

Derivative financial instruments
The Company enters into derivative financial instruments that are held for hedging purposes in relation to the Company's economic hedges and net investment hedges.

The fair value of the Company's derivative instruments is estimated by using third-party pricing models, where the inputs to those models are readily observable from active markets. The pricing models used are consistently applied and reflect the contractual terms of the derivatives. The Company reaffirms its understanding of the valuation techniques at least annually and validates the valuation output on a quarterly basis. The Company's derivative instruments (foreign exchange forward contracts) are classified within Level 2 of the fair value hierarchy.

The fair value of foreign exchange forward contracts are determined based on a discounted cash flow method using the following significant inputs: the contractual terms of the forward contracts such as the notional amount, maturity dates and contract rate, as well as relevant foreign currency forward curves, and discount rates consistent with the underlying economic factors of the currency in which the cash flows are denominated.

Credit and debit valuation adjustments are necessary when the market parameters (for example, a benchmark curve) used to value the derivative instruments are not indicative of the credit quality of the Company or its counterparties. The Company considers the counterparty credit risk by applying an observable forecasted default rate to the current exposure.

Cardmember loans and receivables
The fair value of Cardmember loans and receivables is determined using the discount charged on the sale of these assets to a related party. This discount was determined in an arm's length manner after taking into account compensation for the buyer's risk of loss and funding costs. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

As a result of these assets being sold each month end the majority of the remaining balance at the reporting date consists of unbilled Cardmember spend.

For Cardmember loans and receivables, the Company performed a sensitivity analysis by adjusting the discount charged for the subsequent sale of these assets to a related party by 0.25% (25 bps) (2024: 0.25% (25 bps)). This adjustment is representative of a range that is consistent with observed past sales in the current year and management's assessment of forecast movements in the buyer's risk of loss and funding cost.

	Carrying amount as at 31 December 2025 £000	**Impact of sensitivity analysis (+/-) £000**	Carrying amount as at 31 December 2024 £000	Impact of sensitivity analysis (+/-) £000
Financial assets				
Cardmember Receivables	**198,694**	**499**	256,753	645
Cardmember Loans	**69,860**	**176**	408,017	1,026

The weighted average discount rate applied to the sold Cardmember loans and receivables during the year was 0.48% (2024: 0.63%). The impact of the discount rate on the fair value adjustment to Cardmember loans and receivables is given below, with the profit & loss impacts captured in Note 7 Profit before taxation.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

15. CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

Cardmember loans and receivables (continued)
Below is an analysis of movement in Cardmember loans and receivables during the year:

	2025	2024
	£000	£000
Fair value of Cardmember receivables and loans at 1 January	**664,770**	798,449
Foreign exchange impact	(2,466)	613
Cardmember spend, interest and other charges during the year	78,232,694	69,433,212
Proceeds received from the sale of Cardmember loans and receivables	(78,201,383)	(69,121,446)
Fair value adjustments [a]	(425,061)	(446,058)
Fair value of Cardmember loans and receivables at 31 December	**268,554**	664,770

[a] Fair value adjustments are determined using the discount rate applied to the sold Cardmember loans and receivables.

Fair value of undrawn commitments
Reported within Other creditors is £93.1m (2024: £86.3m) relating to the fair value of undrawn commitments (Note 20). This balance consists of the fair value of the undrawn commitment in relation to Cardmember loans and Cardmember receivables with pre-set spending limits classified as FVTPL (Note 3.13(c)). The fair value calculation leverages the unfunded commitment IFRS 9 expected credit loss calculation methodology as a proxy for the fair value of undrawn commitments.

The fair value of undrawn commitments is a significant accounting estimate and Note 3.22 provides sensitivity analysis around the weighting between the optimistic, baseline and pessimistic scenarios.

16. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments include forward contracts for the purchase and sale of foreign currencies. These instruments allowed the Company to transfer, modify or reduce their foreign exchange, interest rate and credit risks. The following outlines the nature and terms of the most common types of derivatives used:

(i) Forward foreign exchange contracts are agreements to exchange a specified amount of one currency for another on a future date at an agreed rate.

The derivative financial instruments shown in the following tables are held for hedging purposes in relation to the Company's economic hedges and net investment hedges. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative receivables) and negative (derivative payables) fair values at the Balance Sheet date are analysed below. Changes in fair values of futures contracts which are exchange traded are subject to daily settlement and the margins relating to these futures contracts are included in balances with the counterparty.

At 31 December:	**2025**			2024		
	Notional Amount	**Fair Value**		Notional Amount	Fair Value	
		Assets	**Liabilities**		Assets	Liabilities
	£000	**£000**	**£000**	£000	£000	£000
Derivatives held for hedging						
Forward foreign exchange:						
Designated as net investment hedge	22,868	5	335	12,701	36	—
Other	291,529	604	4,013	236,420	4,948	224
Total	**314,397**	**609**	**4,348**	249,121	4,984	224
Derivatives held for trading						
Forward foreign exchange	2,191,077	9,553	13,111	1,738,020	28,730	3,073
Total	**2,191,077**	**9,553**	**13,111**	1,738,020	28,730	3,073

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and as a current asset or liability if the maturity of the hedge item is less than 12 months. The Company only holds derivatives which are short term in nature, maturing within 12 months. The maximum exposure to credit risk at the reporting date is the fair value of the derivative assets in the Balance Sheet. For information about the methods and assumptions used in determining the fair value of derivatives see Note 15 Classification of financial instruments. The Company's derivative instruments are classified within Level 2 of the fair value hierarchy.

Other derivatives held for hedging represent forward foreign exchange contracts entered into for the purposes of hedging the Company's subsidiary foreign currency exposure. Gains or losses associated with these derivatives have been recognised in the Income Statement.

Included within other comprehensive expense is a loss of £0.0m for 2025 (2024: loss of £1.3m) in relation to the Company's effective portion of its derivatives designated as net investment hedges. No ineffective portions of hedges were recorded for 2025 (2024: £nil) in the Income Statement within administrative expenses. Reported foreign exchange loss from the Company's derivatives not designated in a hedge accounting relationship were £0.0m (2024: loss of £0.0m).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

17. DEBTORS

	2025 £000	2024 £000
Cardmember loans	**69,860**	408,017
Cardmember receivables	**223,366**	284,492
Loans due from Group undertakings	**1,609,175**	1,325,194
Loans due from related parties	**28**	46
Receivables from Group undertakings	**1,513,679**	1,069,478
Deferred tax asset (Note 12)	**66,399**	79,318
Other debtors	**26,607**	25,723
Corporation tax	**74,241**	81,261
Deferred Cardmember acquisition costs	**61,616**	61,826
Prepayments and accrued income	**19,953**	21,218
Derivative financial instruments (Note 16)	**10,162**	33,714
	3,675,086	3,390,287

The debtors above include the following non-current amounts:

	2025 £000	2024 £000
Loans due from Group undertakings	**1,600,141**	9,587
Deferred tax asset (Note 12)	**66,399**	79,318
Deferred Cardmember acquisition costs (Note 17.2)	**40,253**	44,206
Prepayments and accrued income	**2,489**	4,008
	1,709,282	137,119

Reported within Cardmember loans, Cardmember receivables, Loans due from Group undertakings and Loans due from related parties are the following financial assets held at amortised cost:

	2025 £000	2024 £000
Cardmember receivables	**25,016**	28,141
Provision for impairment of Cardmember receivables	**(344)**	(402)
	24,672	27,739
Loans due from Group undertakings & related parties	**1,609,203**	1,325,240
Total	**1,633,875**	1,352,979

For Cardmember loans and receivables, the carrying amount is deemed to approximate fair value due to the short term nature of the balances.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

17. DEBTORS (continued)

17.1 Analysis of provision for impairment on Cardmember receivables

The majority of the Company's Cardmember loans and receivables are sold to a related party on a monthly basis and are therefore classified as FVTPL. For the small proportion of the Company's Cardmember receivables that are not sold, the total provision for impairment on Cardmember receivables as at 31 December 2025 was £0.3m which has decreased from £0.4m as at 31 December 2024. The table below details the associated staging and expected credit loss movements during 2025.

(amounts in £'000)

	2025							
	Cardmember Receivables							
	12 month Expected Credit Losses (Stage 1)		Lifetime Expected Credit Losses					
			Not Credit Impaired (Stage 2)		Credit Impaired (Stage 3)			
	Gross Carrying Value	Allowance	Gross Carrying Value	Allowance	Gross Carrying Value	Allowance	Total Gross Carrying Value	Total Allowance
At 1 January 2025	27,819	206	98	43	224	153	28,141	402
Transfer to 12-month ECL	11	9	(11)	(9)	—	—	—	—
Transfer to lifetime ECL not credit impaired	(169)	(1)	169	1	—	—	—	—
Transfer to lifetime ECL credit impaired	(96)	—	—	—	96	—	—	—
Change due to stage assignment transfer	(11)	(9)	78	80	57	130	124	201
New financial assets originated	2,231	6	14	5	—	—	2,245	11
Write-offs	(11)	(11)	(1)	(1)	(499)	(499)	(511)	(511)
Change in Gross Carrying value / Net remeasurement of loss allowance	(6,544)	(98)	(91)	(35)	284	357	(6,351)	224
Other	1,352	8	5	2	11	7	1,368	17
At 31 December 2025	**24,582**	**110**	**261**	**86**	**173**	**148**	**25,016**	**344**

American Express Services Europe Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

17. DEBTORS (continued)

17.1 Analysis of provision for impairment on Cardmember receivables (continued)

(amounts in £'000)

	2024							
	Cardmember Receivables							
	12 month Expected Credit Losses (Stage 1)		Lifetime Expected Credit Losses					
			Not Credit Impaired (Stage 2)		Credit Impaired (Stage 3)			
	Gross Carrying Value	Allowance	Gross Carrying Value	Allowance	Gross Carrying Value	Allowance	Total Gross Carrying Value	Total Allowance
At 1 January 2024	30,436	370	274	135	162	136	30,872	641
Transfer to 12-month ECL	127	71	(97)	(44)	(31)	(26)	(1)	1
Transfer to lifetime ECL not credit impaired	(29)	—	29	—	—	—	—	—
Transfer to lifetime ECL credit impaired	(165)	(2)	(6)	(3)	172	5	1	—
Change due to stage assignment transfer	(91)	(71)	58	34	(64)	74	(97)	37
New financial assets originated	3,320	23	10	9	117	75	3,447	107
Write-offs	—	—	(16)	(16)	(626)	(623)	(642)	(639)
Change in Gross Carrying value / Net remeasurement of loss allowance	(4,497)	(174)	(143)	(63)	498	518	(4,142)	281
Other	(1,282)	(11)	(11)	(9)	(4)	(6)	(1,297)	(26)
At 31 December 2024	**27,819**	**206**	**98**	**43**	**224**	**153**	**28,141**	**402**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

17. DEBTORS (continued)

17.2 Deferred Cardmember Acquisition Costs

Deferred Cardmember acquisition costs relate to incremental fees paid to third-parties to obtain Cardmember contracts, as well as certain set-up or fulfilment costs required to provide the card services, such as the cost of the plastic card. These costs are amortised on a straight line basis over the estimated Cardmember account life, as this reflects the period over which the Company will provide the related card services and benefit from the acquisition and fulfilment costs. The estimated Cardmember account life is reviewed annually to ensure an appropriate deferral period is being applied, and adjusted if necessary. In 2025 the deferral period was standardised to 4 years across all portfolios (2024: 3 to 7 years). In 2025 amortisation amounting to £20.6m (2024: £16.4m) was recognised within administrative expenses. There was no impairment loss in relation to the costs capitalised.

A reconciliation of deferred Cardmembers acquisition cost as follows:

	£000
At 1 January 2025	61,826
Cost deferred during the year	20,372
Expense recognised during the year	(20,582)
At 31 December 2025	**61,616**
Current	21,363
Non-current	40,253
	61,616

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

18. CASH AT BANK AND IN HAND

	2025	2024
	£000	£000
Cash at bank and in hand	**10,432**	77,070

19. CREDITORS: amounts falling due within one year

	2025	2024
	£000	£000
Trade creditors	**83,959**	81,148
Loans due to Group undertakings (Note 21)	**1,520,637**	1,483,217
Amounts due to Group undertakings	**8,565**	10,004
Derivative financial instruments (Note 16)	**17,459**	3,297
Other taxation and social security	**15,610**	12,449
Corporation tax	**—**	—
Lease liabilities (Note 22)	**11,464**	9,923
Other creditors	**205,710**	158,278
Accruals	**277,513**	235,730
Deferred income (Note 24)	**163,368**	148,922
	2,304,285	2,142,968

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

Terms and conditions of the above financial instruments are:
(i) Trade creditors are non-interest bearing and are normally settled within 60 days.
(ii) Loans due to Group undertakings and falling due within one year are unsecured and are subject to a variable rate of interest. The contractual maturity of amounts is disclosed in Note 4(f).

Reported within Creditors: amounts falling due within one year are Loans due to Group undertakings which are further disclosed in Borrowings (Note 21).

Reported within Other creditors is £93.1m (2024: £86.3m) relating to undrawn commitments classified as FVTPL (Note 15).

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

20. CREDITORS: amounts falling due after more than one year

	2025 £000	2024 £000
Loans due to Group undertakings (Note 21)	—	41,758
Lease liabilities (Note 22)	58,298	60,318
Other creditors	2,009	2,278
	60,307	104,354

21. BORROWINGS

	2025 £000	2024 £000
Non-current		
Loans due to Group undertakings	—	41,758
Current		
Loans due to:		
Group undertakings	1,520,637	1,483,217
Others	76	82
	1,520,713	1,525,057

22. LEASE LIABILITIES

Lease liabilities included in Creditors as at 31 December are as follows:

	2025 £000	2024 £000
Current	11,464	9,923
Non-current	58,298	60,318
Total	69,762	70,241

The total cash outflow for leases in 2025 was £12.0m (2024: £14.1m). Interest expense on lease liabilities during 2025 was £2.22m (2024: £1.29 m)

The following sets out a maturity analysis of the Company's lease liabilities under IFRS 16 with the present value, as of 31 December:

	2025 £000	2024 £000
No later than 1 year	13,494	11,349
Later than 1 year and no later than 5 years	52,891	46,925
Later than 5 years	9,956	16,691
Total	76,341	74,965
Future finance charges	(6,579)	(4,724)
Lease Liabilities	69,762	70,241

23. PROVISIONS FOR LIABILITIES

	Restructuring	Dilapidation	Membership rewards	Other	Total
	£000	£000	£000	£000	£000
Cost:					
At 1 January 2025	2,983	392	220,326	44	223,745
Exchange differences	1	—	(328)	—	(327)
Increase in provision	5,835	12	235,089	4,811	245,747
Utilisations	(5,334)	—	(189,233)	(75)	(194,642)
Releases	(725)	—	—	—	(725)
Discounting of provision (net of unwinding of discount)	—	—	(824)	—	(824)
At 31 December 2025	**2,760**	**404**	**265,030**	**4,780**	**272,974**

Restructuring provision

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 initiation. In connection with these programmes, the Company will typically incur severance and other exit costs. During 2025, the Company recognised £5.8m (2024: £11.3m) of restructuring charges, and releases of £0.7m (2024: £2.9m) for adjustments of previously accrued amounts due to revisions of prior estimates.

Dilapidation provision

The dilapidation provision represents the estimated cost of returning buildings leased by the Company to their original state prior to their occupation by the Company, where the requirement to do so is specified in the terms and conditions of the lease.

Membership rewards

The Company records a Membership Rewards liability that represents the estimated cost of Membership Rewards points earned that are expected to be redeemed by Cardmembers in the future. Further details in respect of the calculation of the liability are given in Notes 3.19 and 3.22. The Membership Rewards liability is considered to be a current liability as, while the liability is expected to be settled over time, the Company does not have the unconditional right to defer settlement beyond one year. The Membership rewards liability is recorded on a discounted basis.

Other provisions

Other provisions comprise the aggregate anticipated cost of various outstanding provisions, claims and litigation cases. Potential liabilities have been assessed in line with the Company's accounting policy on Provisions and Contingent Liabilities, and have been provided for accordingly.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

24. DEFERRED INCOME

	2025 £000	2024 £000
Deferred card fees income	**163,165**	148,776
Other deferred income	**203**	146
	163,368	148,922

A reconciliation of deferred card fees income is as follows:

	2025 £000
At 1 January 2025	148,776
Card fees deferred during the year	348,891
Revenue recognised during the year	(334,425)
Other foreign currency adjustments	(77)
At 31 December 2025	**163,165**

25. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2025 No.	2024 No.	2025 £000	2024 £000
Ordinary shares of £1 each	**184,348,573**	184,348,573	**184,349**	184,349
Preference shares of $1 each	**47,604,000**	47,604,000	**27,439**	27,439
	231,952,573	231,952,573	**211,788**	211,788

The Company does not have a limited amount of authorised capital.

The $1 preference shares have diluted voting rights, one vote for every two shares held. In any year when the Company's distributable profits exceed the amount which would be necessary in order to declare and pay a dividend of $0.20 per share but no dividend is declared, the holders accrue the right to a deferred dividend of $0.20 per share, which shall be payable in the event of a return of capital or otherwise at the discretion of the Company. On winding up, the $1 preference shareholders rank above ordinary shareholders and are entitled to receive the amounts paid up plus an additional amount of $1 dollar per preference share held; deferred dividends rank for payment after amounts paid up on ordinary shares.

The $1 preference share capital is converted at the historic exchange rate as at the date of issuance.

26. PENSIONS

American Express provides retirement benefits through a variety of arrangements comprising defined benefit and defined contribution plans. The material plans ("the Plans") comprise the American Express UK Pension Plan ("the UK Plan") and several pension arrangements in Germany ("the German Plans").

The UK and German Plans and the related costs are assessed in accordance with the advice of qualified independent actuaries. The Plans identified have several participating employers sharing the risks between entities under common control. Both the UK and German Plans do 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 these schemes. None of the participating legal entities have been assessed as being sponsoring employers of these Plans. As a result, American Express UK legal entities account for these Plans as if they were defined contribution arrangements with additional disclosure notes compliant with the IAS 19 requirements for these types of arrangements. The information of these Plans as a whole is presented below.

The UK Plan

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 10 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.

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.

German Plans

There are five defined benefit plans in Germany, of which only one is open to new hires. The normal retirement age is generally 65 and the benefit is generally paid as a lump sum at retirement, although one Plan pays a monthly pension for life. The weighted average duration of the German Plans is around 10 years.

The German Plans are largely unfunded with the exception of the open Plan, which is a cash balance Plan with assets held in insurance contracts and where there is a guaranteed minimum level of investment return applied to members' cash balance account. For the most part therefore, each participating employer pays and records the cost of benefits as they arise.

American Express Services Europe Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

26. PENSIONS (continued)

German Plans (continued)

As benefits are paid mostly as lump sums, the total liability is not dependent on the level of inflationary increases of pension benefits in payment or the period of time the pension will be paid (life expectancy) and so the Plans are not exposed to inflationary or significant longevity risks. The total liability is dependent on future salary increase levels (linked to the level of benefits payable) and the discount rate (which depends on market yields on euro-denominated AA corporate bonds). These are the two main risks affecting the level of the German Plans' liabilities.

Key assumptions and valuation results

The key assumptions used to value the UK and German Plans' liabilities based on IAS 19 requirements together with the results obtained are set out below. Although there are multiple plans in Germany, all plans were valued using the same financial and demographic assumptions.

Assumptions	Nominal % pa			
	UK		Germany	
	2025	2024	**2025**	2024
Discount rate	5.40	5.40	4.05	3.40
Rate of increase in salaries	n/a	n/a	3.25	3.25
Social Security increases	n/a	n/a	2.25	2.50
Rate of pension increase in payment*	0.00-2.88	0.00-3.06	2.10	2.30
Rate of increase in price inflation				
RPI**	3.00	3.25	n/a	n/a
CPI**	2.50	2.75	2.10	2.30
Mortality table	SAPS S4 Mortality table CMI 2024 improvement model with trend of 1.25% per annum from 2017 with an initial addition parameter, A, of 0.25% plus smoothing parameter (Sk) of 7 and a core half-life (H) parameter of 1 year	SAPS S3 mortality table CMI 2023 model (with smoothing and covid experience adjustments) with trend of 1.50% per annum	Heubeck 2018G	Heubeck 2018G

* post 88 GMP = 2.13%; pre 1997 excess = 0.00%; April 1997 to April 2005 = 2.88%; post April 2005 = 1.97%
** RPI = Retail Price Inflation; CPI = Consumer Price Inflation

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

26. PENSIONS (continued)

Key assumptions and valuation results (continued)

The table below shows the value of IAS 19 liabilities and assets as at 31 December 2025.

	UK		Germany	
IAS 19 Defined Benefit Obligation and Market Value of Assets	**2025 (£m)**	2024 (£m)	**2025 (£m)**	2024 (£m)
Present value of Plan liabilities	822.0*	807.1*	84.9	85.5
Market value of assets**	840.6*	836.1*	6.7	5.7
Surplus / (deficit)	18.6	29.0	(78.2)	(79.8)
Sensitivity analysis - 2025 Defined Benefit Obligation				
Discount rate assumption being 1% higher	754.7*		77.2	
Discount rate assumption being 1% lower	907.0*		93.5	

* Includes £52m of Additional Voluntary Contribution ("AVCs") (£52m in 2024)
** There are no self-invested assets in the UK Plan or in the German Plans

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 German Plans are for the majority unfunded with only 8% of the liabilities covered by assets. It is common practice in Germany for defined benefit plans to be unfunded. German plan assets are 100% invested in insurance contracts. The UK Plan's major asset categories are shown in the table below.

Asset Allocation as at 31 December	2025 (£m)	2024 (£m)
Domestic equities	5.9	5.8
Foreign equities	119.6	113.3
Government bonds*	335.7	360.2
Corporate bonds	75.3	29.3
Buy-in contract	134.6	145.8
Additional voluntary contributions	51.5	51.9
Cash and cash equivalents	25.7	34.7
Other	92.3	95.1
Total	840.6	836.1

*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 £134.6m 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 £142.7m mainly attributable to the pensioner buy-in contract).

26. PENSIONS (continued)

Key assumptions and valuation results (continued)

The assets and liabilities shown above include defined contribution assets and liabilities (from AVCs) as at 31 December 2025.

Contributions

The employer contributions to the UK Plan and German Plans during the calendar years 2024 and 2025 and the expected contributions for 2026 are summarised in the table below.

Country/Plan(s)	2026 Expected **Contributions (£m)**	Actual 2025 **Contributions (£m)**	Actual 2024 **Contributions (£m)**
UK	0.4	0.4*	21.5*
Germany**	7.3	2.9	2.6

* In addition during 2025, the employer contributed £66.2m (2024: £58.3m) (including salary sacrifice contributions) to the defined contribution Stakeholder Plan in the UK.

** Contributions in Germany include benefit payments made directly by the employer and contributions into the Cash Balance Plan.

27. COMMITMENTS

The Company has commitments to extend credit to its Cardmembers for its lending products and those charge products which include a pre-set spending limit. These commitments are not contractual and are cancellable at the discretion of the Company if there is an objectively justifiable reason to do so. The commitment for these products represents the maximum potential credit risk, assuming the amount is fully utilised and the Cardmember defaults and collection efforts are unsuccessful. As at 31 December 2025 these commitments were £37,934.4m (2024: £33,083.2m). These amounts are not fully drawn by the Company's Cardmembers and, therefore these amounts in aggregate are not indicative of future cash requirements. Management does not expect any material adverse consequence to the Company's financial position to result from these commitments.

At 31 December 2025 the Company had Co-Brand commitments of £57.1m (2024: £25.2m) in respect of non-cancellable minimum annual payments and marketing fees. The Co-Brand agreements allow the Company to issue both consumer and corporate co-branded products and this amount is due to be paid over a period not exceeding ten years.

At 31 December 2025 the Company had capital commitments of £0.4m (2024: £0.4m) in respect of the completion of the Belgrave House refurbishment project.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2025

28. CONTINGENT LIABILITIES

There are no contingent liabilities for the year ended 31 December 2025.

29. RELATED PARTY TRANSACTIONS

In 2025, Directors and other Key Management Personnel held American Express personal cards during the year which are issued by the Company under the normal terms of business, with no instances of bad debt to note for the applicable accounts. The aggregate value of these amounts are provided below:

Directors and Key Management Personnel	**2025**
	£'000
Balance at 1 January *	78
Transactions made in the year	869
Remittances paid in the year	(869)
Balance at 31 December*	78

*amounts are inclusive of Close Family Member balances

The highest card balance of any individual Director or Key Management Personnel in the year was £0.03m (2024: £0.03m).

Total Commitments

Total commitments outstanding refers to the total of any undrawn amounts on credit cards provided to Directors and Key Management Personnel.

Total unfunded commitments outstanding as at 31 December 2025 were £0.3m (2024: £0.2m).

30. EVENTS AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, geopolitical tensions in the Middle East have escalated. The Company is assessing the potential impact on its operations and at the time of signing these financial statements no significant impacts have been identified.

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2025 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 2025;
- the Income Statement for the year then ended;
- the Statement of Comprehensive Income for the year then ended;
- 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, as applicable to other entities of public interest and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 7, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Performing a risk assessment to identify factors that could impact the going concern basis of accounting;
- Understand and evaluating the Company's current financial position and financial forecasts;
- Considering the American Express group's intention to provide ongoing support to the Company as well as the integral nature of the Company's operations to the broader group;
- Assessing the capital and liquidity position of the ultimate parent undertaking; and
- Reading and evaluating the adequacy of the disclosures made in the financial statements in relation 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 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 2025 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 Financial Conduct Authority and Payment Services Regulations 2017, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and UK tax legislation. 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;
- Review of correspondence with the regulators;
- Incorporating an element of unpredictability into the nature, timing and/or extent of our testing;
- Performing test of controls such as information security controls relating to system access and change management;
- Identifying and testing journal entries, including entries with unusual account combinations;
- Understanding and evaluating the business rationale for significant one-off transactions that are outside the normal course of business; and
- Challenging the assumptions and judgements made by the management in their accounting estimates, in particular in relation to the fair value of the undrawn commitment, membership reward liability and pensions disclosure.

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
- the company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

We have no exceptions to report arising from this responsibility.

Jessica Miller

Jessica Miller (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 May 2026